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West Europe Report



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WEST EUROPE REPORT

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AID AGENCY WANTS TO END GRANTS TO NICARAGUA

Copenhagen INFORMATION in Danish 12 Apr 84 p 10

[Article by Jens Lohmann]

[Text] Nicaragua will no longer receive aid from Denmark. The board of directors of DANIDA [Danish International Development Authority] decided in a meeting last Wednesday to make this recommendation to the Danish government. At the same time, it was decided to recommend that Nicaragua be granted state loans within the limits of 40-50 million kroner.

The board of directors of DANIDA, however, has kept the possibility open for continued aid to be granted through such private organizations as Folkekirkens Nødhjælp [The National Church Emergency Aid], WUS [World University Service], and the Nicaragua Committee. It was thus decided at the meeting to grant the Nicaragua Committee 1.23 million kroner for improvement of the school system within the Carazo department of western Nicaragua through the construction of three schools.

The decision of the aid agency has given rise to criticism from various quarters. At the meeting, two of the nine members of the board of directors criticized the recommendation of DANIDA, and the Nicaragua Committee is levelling sharp criticism against the aid agency for deciding, at this very point, to end grants to Nicaragua. The Nicaragua Committee will, at the same time, try to make the Folketing change the decision.

Agreement Denmark-Nicaragua

DANIDA claims that it is justified in recommending that Danish aid be changed from pure grants to state loans for the reasons, among others, that, during the negotiations which were carried on with the government of Nicaragua, they reached an agreement and mutual understanding, and that the Nicaraguans, according to the minutes of the meeting between the DANIDA delegation and the representatives of the government of Nicaragua, "agreed that Danish state loans would constitute a natural basis for the future development cooperation between the two countries."

DANIDA, moreover, points out that the average gross national product per capita in Nicaragua (860 dollars per year) lies above the limit for aid according to the Danish regulations. Normally, Denmark only grants aid to countries with an annual GNP per capita below 800 dollars.

The decision to grant aid to Nicaragua was made in 1981 as a temporary measure, and it was pointed out at the time that the grants were made to help rebuild the country after the civil war which, in 1979, led to the fall of Somoza.

"However, it cannot be said that the reconstruction phase of Nicaragua has been completed," the chairman of the board of Mellemfolkeligt Samvirke [International Cooperation Society], Professor John Martinussen, who is also on the board of DANIDA, tells INFORMATION. "There is still a big need for aid, and Mellemfolkeligt Samvirke welcomes a major increase in the lending by the Danish state to Nicaragua.

At a meeting held last Wednesday afternoon the board of Mellemfolkeligt Samvirke adopted a proposal to the effect that the association will work for a major increase in the loans granted to Nicaragua. At the same time, it was stressed that "it is significant not only to maintain but also to expand the aid through private organizations," John Martinussen says.

Support to the U.S.

The decision on the part of the board of the aid agency comes at a time when the U.S. has increased its economic and military pressures considerably.

In answer to the question whether the decision by the board of the aid agency might be interpreted as indirect support of the U.S. at this very time, John Martinussen says: "Indeed, that is also the reason why we in Mellemfolkeligt Samvirke are advocating increased aid. The Nicaraguan government seeks to solve social problems by social means, in contrast to the regimes in several Central American countries and in contrast to the U.S., which chooses the military solution."

The Nicaragua Committee finds the decision unfortunate and says that it may be interpreted as support of the U.S. The committee states that a continuation of grants would be tantamount to "agreeing to the development which is taking place in Nicaragua."

The Nicaragua Committee will seek to persuade the Folketing to reject the recommendation from the board of the aid agency to end grants to Nicaragua. A letter has thus been sent to a number of organizations which participate in the aid and assistance work in Nicaragua in an effort to persuade them to support the demand.

Moreover, on 26 April, the Folketing will be holding a debate on Denmark's policy toward Nicaragua. The question of Danish aid is expected to be taken up during that debate.

7262

CSO: 3613/137

BRIEFS

AID TO BANGLADESH--Endeavors are now being made to carry on an untraditional and ambitious Danish aid project in one of the world's poorest countries, Bangladesh, till 1990. The project aims at providing work and education for tens of thousands of poor and landless inhabitants of the densely populated Noakhali district in Bangladesh. The board of the aid agency has just recommended to the finance committee of the Folketing that it approve a total amount of 300 million kroner to be granted over a six-year period. The aid project, which was started in 1978 as an entirely new and hitherto untested model for development aid, will thus be carried on. The idea is to further production, infrastructure, education and social services simultaneously through a series of projects which it is attempted to integrate in a way which will create lasting improvements in the standard of living for as many as possible. [Text] [Copenhagen INFORMATION in Danish 12 Apr 84 p 10] 7262

CSO: 3613/137

FRG INVOLVEMENT IN IRAQI TOXIC GAS PRODUCTION EXPLORED

Hamburg DIE ZEIT in German 13 Apr 84 pp 9-11

[Article by Erwin Brunner and Michael Schwelien with editorial assistance by Wolfgang Hoffmann, Reiner Klingholz and Michael Sontheimer: "You Will Not Be Able to Breathe Any More"]

[Text] There was a quick denial. Was it too quick? No sooner had the NEW YORK TIMES hit the newsstands a week ago last Friday than DIE WELT in Bonn was already running a headline which read: "No German Assistance on Poison Gas. Bonn Disproves U.S. Allegations." The newspaper, which has close ties to the German Government, went on to say: "American assertions about alleged German help in the production of poison gas in Iraq have turned out to be false. Bonn government sources are going on the assumption that the story published in the NEW YORK TIMES was planted by interested parties opposed to the FRG's Near East policies."

Government spokesman Peter Boenisch declared that the injuries of the Iranian victims sent to the West for treatment resulted solely from vesicants. Chemical agents of this nature could not be manufactured in factories producing plant protection agents, he said. "No matter what the CIA says," Boenisch added with some assurance, "even they cannot develop mustard gas from plant protection agents."

What is going on here? By the time the NEW YORK TIMES--which after all is not a sensationalist tabloid--hits the streets it is just about noon in these parts. The FRG Government must have worked very fast indeed to have its not guilty plea ready in time for the Saturday editions of the German press.

After a good look at the American news story, one begins to wonder whether anyone in the German Government really read it carefully. "American intelligence officials say they have incontrovertible evidence of the fact that Iraq has been using nerve gas in its war against Iran," the NEW YORK TIMES story said. Iraq, the story goes on to say, has "almost completed construction of large facilities" for the mass production of chemical weapons. "Officials of the Pentagon, of the State Department and the intelligence community have said in interviews that the evidence includes official documents stating that Iraq has purchased laboratory equipment from a West German firm," [the paper added].

The supplier had been identified by the New York newspaper as the Karl Kolb Co of Dreieich near Frankfurt. The laboratory equipment was used by Iraq to manufacture nerve gas "apparently without knowledge of the firm," [the NEW YORK TIMES said].

The NEW YORK TIMES quoted Peter Hermes, the German ambassador in Washington, as admitting that Kolb's had delivered "certain facilities" to Iraq. Hermes was also quoted by the NEW YORK TIMES as having said that the firm had "agreed to supply a 'regular plant' for the production of pesticides." "The equipment for this plant has not yet been delivered," Ambassador Hermes was said to have added, "the installation of it has not yet been completed."

In its unusually comprehensive story, the newspaper also correctly quotes Dieter Backfisch, the Kolb firm's general manager, as denying that any such sale took place. This is of some importance, since it is said that not only vesicants have been employed in the Gulf War (as Boenisch assumes) but also Tabun, a nerve gas. Tabun was discovered by German chemists at IG Farben in 1936--more or less by accident when they were conducting research into commercial insecticides.

Under these circumstances, the scornful announcement by Radio Baghdad following the most recent Iranian offensive that Iraq "exterminated the vermin with the help of pesticides" would take on new and ominous overtones. Colonel Ulrich Imobersteg, a graduate chemist and head of the chemical weapons defense division of the Swiss defense department, made the following flat statement: "Any installation capable of manufacturing herbicides, pesticides, insecticides or fungicides can also be used to manufacture nerve gas."

Is it any wonder then that the Israeli Government has issued instructions to its embassy in Bonn to look into "the delivery of equipment for the production of poison gas to Iraq by the FRG?"

No less quickly than did the government of the FRG, the U.S. Government reacted to the NEW YORK TIMES report. Only a few hours after the newspaper came out, the U.S. Department of Commerce announced a ban on the export of potassium fluoride, dimethylmethylphosphonate, methylidiphosphonylfluoride, phosphor-oxychloride and thioglycol to both Iraq and Iran. "We cannot rule out entirely that chemicals from the United States have been used by Iraq [for the manufacture of chemical weapons]," State Department spokesman John Hughes stated in a self-critical vein.

One day later, American customs officials seized a shipment containing 500 kilograms of potassium fluoride at New York's Kennedy Airport, addressed to the "Ministry for Pesticides" in Baghdad.

[The scene shifts to] Dreieich at the end of last week. Here, on the wooded outskirts of this little Hesse town, the Karl Kolb Co headquarters is located. It is a small, formerly family-owned firm with a staff of 90. Even without a prior appointment, a reporter is taken to general manager Backfisch's office right away and permitted to wait there because "Mr Backfisch is still out to lunch."

There is no similarity whatever between Backfisch and someone like Hugo Stoltzenberg who turned out poison gas in a makeshift lab right in the center of Hamburg. "I know nothing about chemistry; I am a businessman," Backfisch says and indeed, he is a dynamic manager type in the prime of life. The Kolb Co is a business firm, he says, which "supplies customers with the normal kind of laboratory apparatus; standard equipment which can be purchased anywhere."

For all that [he says] the pesticide production facility in question was not supplied to Iraq by Karl Kolb Co but by the firm of Pilot Plant. The latter firm has only six employees and there may have been some confusion "because some of the Pilot Plant shareholders also are shareholders in the Karl Kolb Co."

At any rate, Backfisch assures us, Pilot Plant did not sell a whole plant [to Iraq] but merely a "chemical test facility" which, in fact, did not reach its destination near Baghdad until January and will not go into operation until September. All this has twice been "officially" confirmed by the FRG Government. For another thing, "experts from the Ministry of Economics" had gone over the entire deal. Backfisch makes no bones about the fact that our questions irritate him. "Aren't you satisfied by two government denials?" he asks.

But isn't it conceivable [we say] that equipment supplied by Kolb was in fact used by Iraq to produce poison gas, if the Pilot Plant-supplied facility could not be used for that purpose? "Karl Kolb has sold all sorts of lab junk," Backfisch says, "but none of that can be used for production purposes but only for research."

He obligingly shows us the Kolb catalog. It is 1,000 pages thick. Its motto is "serving mankind by serving science" and indeed it does not offer any plants for the manufacture of poison gas for sale. The list includes laboratory equipment--also gasmasks: less expensive ones for DM 44.50 each and somewhat more elaborate ones at DM 172.00. "Gasmasks, wouldn't you say, are the kind of things those need who are afraid of coming under a gas attack and not those who intend to use it themselves," Backfisch says.

Can he explain as to why his firm has come under such grave suspicion, we ask. "We are really just an itzy-bitsy little firm," Backfisch says with a touch of irony. "It is too much of an honor for the CIA to take an interest in us."

We then placed a call to the Ministry of Economics [whose] press spokesman, Dieter Vogel, is thought of as one of the best informed in Bonn. He has been on the job for 14 years, having already worked for Karl Schiller. Vogel confirms everything Backfisch has told us. The firm was investigated by the Federal Trade Office, an agency attached to the ministry. The investigation was conducted by a chemist and a customs official. Their finding was that the facility supplied by Pilot Plant had not been completely assembled as yet.

The FRG Government looked into the matter, acting on a tip from the American Government. "The investigation had in fact been completed before the NEW YORK TIMES appeared," Vogel says. Could another facility have been delivered in secret, we ask. "Absolutely impossible," Vogel says. Besides, "those people up there in Dreieich are quite honest."

That is strange [we muse]. Why then did the American paper run such a big story? Was it meant to harass the FRG's Near East policy after all?

So we put in a call to Peter Boenisch who has access to all the ministries in his capacity of government spokesman. We ask him what his denial was based on. "The whole business started with that NEW YORK TIMES story; then we started to look around." And what did you find, we ask. "These are the facts," he says; "in 1981, a laboratory facility for the production of pesticides with a capacity of 100 liters was sold--either by Karl Kolb or by Pilot Plant." Delivery was secret; the facility was not bunkered and in addition, it was far too small for the mass production of poison gas.

Up to then, no mention had been made anywhere of a facility capable of turning out 100 liters--per hour? per day? Didn't Dieter Vogel just say that his ministry started to go into action following a tip from the Americans? The government spokesman sounds as though the matter means a lot to him and starts to refer to "sources which are not accessible under normal circumstances," the reasoning being that "we Germans are a great deal more sensitive than the Americans on the issue of chemical weapons." So, there were no tips from Washington after all [we ask]. "That is what upsets me so about the Amis [Americans]. If I got a hold of a thing like that, I wouldn't just turn around and start trumpeting it out into the world via the NEW YORK TIMES. After all, haven't we both been part of the same alliance for 35 years?"

We are confused. A third call, this time to the Federal Trade Office, does not provide any more clarity. To be sure, its spokesman Michael Waldmann confirms for us that the agency did conduct an investigation "at the request of the Ministry of Economics" and that the report on it was completed before the NEW YORK TIMES story appeared. But Waldmann cannot tell us whether one or two officials visited Karl Kolb and Pilot Plant; whether they merely went over the books or also talked to any company employees. "The 'how' part of it," he concludes curtly, "is not all that important. Our findings were clear: delivery was made of a facility which could not have been used for the manufacture of gas, however."

[What does it all mean?] A spy thriller? Information supplied by interested parties? Or simply the usual MAD [FRG counterintelligence service] syndrome of knowing nothing specific but asserting just about anything? The NEW YORK TIMES story did not contain a single word alleging that any Germans supplied poison gas--much less an entire poison gas production plant--to Iraq. The newspaper merely stated that the "laboratory equipment came from West Germany." In other words, Bonn came out with more of a denial than the New York allegations warranted--not the least reason for it being the strain in German-Israeli relations.

Business Sans Borders

To exonerate both Karl Kolb and Pilot Plant, we might mention that this type of equipment—including gas masks and pesticide facilities--can really be purchased in many countries. Both firms acted quite legally; there is no export license required for such goods. Even if it sounds cynical, Dieter Backfisch is perfectly right in insinuating that his "itsy-bitsy" firm really does not make any difference. The question, nonetheless, is whether such legal and economic standards can also be accepted from the point of morality. And, considering the background of German history, do there really need to be such awkwardly contradictory statements such as the ones made by our government spokesmen?

For 10 years now, Iraq has been suspected of having its hands on poison gas. In 1974, British journalist Gwynne Roberts took photographs of Kurds in training who wore gas masks. They were quite obviously in fear of Iraqi poison gas attacks.

For 10 years now, the Iraqi chemical industry has been growing. The Japanese firm of Mitsubishi has built two large fertilizer plants in Basra. In a joint venture, the American C.E. Lummus concern and German arms manufacturer Thyssen-Rheinstahl have built a \$1 billion petrochemical complex.

As early as January 1981, the Iranian magazine MESSAGE OF THE REVOLUTION reported that the Iraqis had bombarded the area around Hoveizeh with shells containing nerve gas.

In 1982, while the war was in full swing, the German firm of Lurgi was bidding in Baghdad for the construction of a "protective gear plant." Inside the firm, people spoke openly of the "gas mask factory for Iraq" until management asked "our dear employees" in the house organ not to make use of the dirty word 'gas mask.' Lurgi is a supplier of blueprints [design consultant]; the know-how for the rubber processing part was to be provided by the Lubeck firm of Draeger Werke, a well-known manufacturer of gas masks and protective suits. The only reason the deal did not materialize was that a Romanian firm came in with a lower bid than the Germans. But as a Lurgi employee informed us, Draeger does figure in the deal after all, having extended a production license to the Romanians.

In November 1983, Iran first complained to the United Nations about the unlawful use of chemical weapons in the Gulf War. In January, the respected British military publication, JANE'S DEFENCE WEEKLY, also said the Iraqis were using a kind of mustard gas against Khomeyni's army on several sectors of the front. And the U.S. State Department confirmed on 5 March that Iraq warded off the major Iranian offensive which began on 22 February with chemical weapons among other means.

In other words, Iraq has the laboratory equipment, the technical facilities and the protective gear at its disposal as well as the necessary chemicals. The GUARDIAN of London last week found out that British firms had evenhandedly

supplied large quantities of methylphosphonylfluoride, dimethyl-methylphosphonate and thioglycol to both Iraq and Iran. Normally, these chemicals are used in the production of pesticides; but they are also the basic materials used in the production of nerve gas. Furthermore, they are among the chemicals whose export was banned by the United States last week. The laconic response of the London government spokesman was that Great Britain is still issuing export licenses for these materials.

The manufacture of poison gas does not pose any major problems. In 1975, for example, the Vienna police succeeded in making a spectacular arrest. Johannes and Richard K., two brothers, had manufactured one liter of DFP, a nerve gas, in Berlin and soldered it into two sheet metal canisters which they were trying to sell in Vienna for 700,000 schillings apiece. The two had bought the basic ingredients in Nuremberg, Munich and Brno. Richard K. was a chemistry student while his brother Johannes was a self-taught expert in the field. The two crafty brothers were going to put the mixture into spray cans to sell to bank robbers to help them "disable" their victims.

Crime both on a small and a large scale--there is a tradition to chemical agents particularly in warfare. In 1915, the German army covered the French lines in the deadlocked trench warfare with clouds of chlorine gas weighing tons. But now, in the age of star wars, the military has an arsenal of utterly obscene refinement at its disposal to throw at the enemy--including organic nerve poisons, mycotoxins and a great variety of epidemic-causing bacteria, fungi and viruses.

Both German and Allied chemical agent producers were having a field day as early as World War I. Two poison gases--phosgene and mustard gas--acquired a world reputation. Phosgene, a respiratory toxic agent which causes asphyxiation, is easy to manufacture but is considered obsolete today because of its relatively weak effect. Mustard gas, which also goes by the name of Lost or Yperite, is one of the chemical agents belonging to the so-called yellow cross [mustard gas] group. These are poisons which do damage to the lungs and the bone marrow and which, above all, cause severe skin burns through outer clothing.

Anyone capable of understanding the exact conditions under which chemical synthesis takes place can obtain this information at a chemical library in any university and would be in a position theoretically to manufacture mustard gas using hydrochloric acid, ethylene oxide and hydrogen sulfide. A production facility turning out about 100 kilograms a day could be set up inside a normal-sized garage.

Even by late March, the British magazine NEW SCIENTIST was still saying that the mustard gas used in the Gulf War was impure and of poor quality and had been produced by the Iraqis themselves. The publication quoted Iranian soldiers as saying that Iraqi helicopters had dropped canisters containing a dark, acrid-smelling and corrosive liquid. By contrast, pure mustard gas is a clear liquid and has almost no smell. The UN commission sent to Iran to investigate the mid-March events had found war material on the battlefields which was completely intact: aerial bombs whose contents were analyzed without the shadow of a doubt by Swedish and Swiss laboratories as being mustard gas.

In addition to the mustard gas, the UN experts also found evidence of Tabun, a nerve gas. At the moment, the origin of this chemical agent is still not certain. Using the kind of facilities for synthesizing pesticides such as Iraq attempted to buy in the United States, Great Britain and Italy without success in the seventies, manufacturing Tabun would be a routine affair.

Like mustard gas, Tabun, too, was first synthesized in a German laboratory. In 1936, while engaged in research on pesticides in his Wuppertal-Elberfeld laboratory, IG Farben chemist Gerhard Schrader happened upon Tabun, a phosphoric acid ester, and subsequently on Sarin and Soman, two similar compounds. These poisons, originally designed as insecticides, turned out to be utterly lethal both in animal tests and eventually in the bestial "human experiments" on Jewish concentration camp inmates. Inhalation of but a few thousandths of a gram of Sarin was sufficient to cause a human being to die in a most horrible manner.

As easy as it is to manufacture chemical agents, it is very difficult to control their production. The authoritarian Ba'ath regime of Saddam Hussein does not like to have people looking over its shoulders. Western diplomats who have spent as much as 3 years in Iraq report that they never met a single Iraqi during that time. Iraqi agents are keeping everyone and everything under surveillance. In hotel lobbies, apparently unemployed men are seen sitting around, playing with their strings of worry beads. Their attention is primarily fixed on foreign visitors and their Iraqi business partners. Spies must have a difficult time of it in Iraq.

But it is conceivable that an agent working for the United States or for Israel might discover a shipment of laboratory equipment somewhere that has not yet been uncrated. Under such circumstances, the Karl Kolb Co report might have a basis in fact. There is every reason for Israel to be uneasy, if one of its enemies in the Near East were to abandon all scruples and started to use poison gas.

But in the United States, too, there is a motive for inflating the poison gas story journalistically. One can draw certain inferences from President Reagan's announcement last week that the Americans would propose a worldwide ban in Geneva "on the production, possession and use of chemical weapons." At the same time, in fact, Reagan let it be known that his country would undertake to obtain a "modern and credible deterrent" capability.

Deterrence Through Chemical Weapons

In words of one syllable--in order to force the Russians to come to the negotiating table, the Americans first want to build up a chemical weapons arsenal. Until now, the Congress has resisted any such plans. For 1985, Reagan came out with a \$1 billion budget request for the production of new chemical and biological weapons. The president is also asking for \$105 million for the development of a new generation of "binary chemical weapons"--gas bombs containing two initially harmless chemicals which do not cause a nerve-paralyzing effect until the two mix after the bomb is dropped.

Without these new weapons, so the Reagan argument runs, the American negotiating position in Geneva is too weak. The reasoning is not unlike the NATO dual decision on the deployment of new medium-range missiles. One possibility to be countenanced, however, is that the Soviets might react the way they did last fall--when they left the bargaining table as soon as the first of the cruise missiles arrived in England.

The NEW YORK TIMES or its informants in the intelligence community might, in other words, also have been interested in putting an early stop to any new arms race involving chemical weapons.

For all that, the Americans are already stockpiling 42,000 tons of poison gas by their own admission. The Soviets even assert that the amount is closer to 300,000 tons. The U.S. Joint Chiefs of Staff, for their part, were already saying in 1975 that the Soviets had stockpiled 700,000 tons of poison gas. German intelligence sources estimate Soviet stockpiles at "only" 30,000 tons. No matter what the real figures are, even the 2,000 tons of nerve gas the Americans have stockpiled in the FRG would be sufficient to wage "total gas warfare," as the NEW SCIENTIST has said, for 10 to 14 days.

To be sure, the 1925 Geneva protocol forbids the use of chemical weapons—but only their use and not their production and stockpiling. In the heyday of detente, the lofty goal of a "verifiable chemical weapons ban" was very high on the list of common Soviet-American interests. Bilateral talks in Geneva began in August 1976. In the summer of 1980, 6 months after the invasion of Afghanistan, they were "suspended." The main obstacle which arose at the 12 negotiating sessions was "verification" in the other country—an indispensable ingredient, since satellites, while able to make out nuclear launching pads, cannot detect chemical agent plants and depots.

There are countries where possession of chemical agents cannot be proven and then there are those which cannot get rid of them. Even today, there are at least 25 locations in the FRG where chemical time bombs from World War II are still stored. In 1979, Mainz military historian Hans-Erich Volkmann drew up an approximate layout of where these poison depots are; but nobody really knows the locations for sure.

The use of poison gas has been forgotten and repressed. There are only a few people who are still reminded of World War I when they hear the stories of the Iranian victims. Erich Maria Remarque, in his novel "All Quiet on the Western Front," described the horrors of such a gas attack:

"The dull thud of the gas grenades mingles with the crash of the explosive shells. In between explosions, a bell is heard to ring. There are gongs and the clatter of metal and everywhere people are shouting 'gas...gas...gas.'

I can hear something falling behind me once, twice. I clean the eye disks of my mask, wiping off the condensed breath. I can see Kat, Kropp and one other man. We are lying there, the four of us, in heavy, tense expectation, trying to breathe as little as we can.

These first few minutes with the mask on will decide on life and death. Is the mask tight? I know the horrible pictures from the field hospital: gas victims puking out their burnt lungs piece by piece after days of gagging on them.

Carefully, with my mouth pressed against the air cartridge, I breathe in and out. Now the cloud is coursing over the ground, lowering itself into every hollow. Like a huge, soft jellyfish, it settles into our crater, spreading out inside it. I give Kat a nudge. It is better to crawl out and lie at the top of the crater rather than down here where the gas has a chance to collect. But we can't; a second bombardment has started. It is no longer as if the shells were howling but as if the earth itself were in an uproar."

Back then, it was Flanders and today it is the Persian Gulf. Back then, the aim was to bring movement into the deadlocked trench warfare by means of gas surprise attacks. This time, the Iraqis turned to gas as a last resort in order to blunt the threatened breakthrough of the attacking Iranians with the help of a surprise blow.

"At first, I only felt a slight itch on my body and eyes began to burn. Next day, I was burned all over." Ahmad Fahar, a small and slight man, is sitting in the hallway of the university surgical clinic in Vienna, his face and hands badly scarred, telling us amid sobs about that horrible afternoon 6 weeks before. Iraqi fighter bombers had come thundering across the front lines in the marshes around Basra and had dropped their bombs in a low-level attack. Fumes smelling like garlic started to rise--it was poison gas.

"He will make it; the worst is over," says Prof Gerhard Freilinger after making the rounds of his patients. Ahmad, the child soldier, is perhaps 14 (although the translator claims he is 17). He is one of 15 Iranian fighters flown to Vienna from Tehran on 2 March. Since then, four have died in intensive care in Vienna of their severe poison gas injuries and another two in a Stockholm hospital. Fifty more Iranian chemical warfare victims are being treated in Recklinghausen, Munich and London as well as in Switzerland, France and Japan.

Freilinger, a surgeon, had been asked by the Iranian Embassy in Austria to admit the "war wounded with severe burns"; but even at the airport the doctor could see that these were "entirely different wounds." A desperate race with time began. "We telephoned all over Europe and went through all the literature because nobody had any experience with patients like these." It was a therapeutic emergency. "Since World War I, no Western physician has had to treat chemical warfare injuries" [Freilinger says].

The observations made by the Vienna physicians read like passages from a case-book of horrors. The lethal dose of poison had "melted away all the bone marrow" of the first Iranian soldier who died in intensive care at Vienna's General Hospital, Dr Gernot Pauser told us. The lungs of another of the victims were eaten away by the poison, "drowning him in his own plasma."

The lethally poisoned soldiers, Pauser said, "simply, 'disintegrated'; they died away while still alive just like in the film 'The Day After.'" Aside from the most severe skin burns, chemical agents also cause terrible damage to the lungs, to bone marrow, to all mucous membranes and to the body's immune system. Only those afforded the most intensive medical treatment can hope to survive and even in such cases the demands made on the patient exceed those involved in a heart transplant operation, for example.

For about 3 weeks, those badly injured Iranians who eventually did survive received artificial nourishment, respiration and detoxification. The patients' severe skin burns had to be treated and bandaged several times each day. In addition, their blood and gastro-intestinal system had to be cleansed every day and they had to be given large amounts of amino acids to absorb the remnants of the poison and stop the decay of their inner organs.

The Vienna doctors are satisfied with the success they had; but it is still too early to say how good and appropriate the methods they used really were. The fact is just as little is known about the proper therapy to counter the effect of chemical agents as there is about possible long-term effects, such as lung cancer for example. In late May, the doctors who treated the chemical warfare victims will compare notes at a medical congress in Ghent, Belgium at the invitation of world-renowned toxicologist Aubin Heyndrickx.

In early March, Heyndrickx found traces of highly toxic mustard gas in blood, urine and tissue samples taken from the Iranian soldiers hospitalized in Vienna. But even more importantly, Heyndrickx also found traces of mycotoxins.

The international scientific community pricked up its ears at the mention of mycotoxins. If one is to believe American sources, a new generation of highly destructive biochemical agents of Soviet manufacture has been raining down on targets in Southeast Asia and Afghanistan. It is "yellow rain," a toxin manufactured from fungi. This mysterious chemical agent might thus have been supplied to Iraq by the Soviet Union.

Heyndrickx's findings, however, do not allow for such far-reaching conclusions. Other experts have criticized his findings by saying that mycotoxins may enter the body just as easily in the form of poisonous molds contained in rotten food. Dutch chemical warfare expert Benshop maintains that there was no evidence of typical mycotoxic symptoms--such as external or internal bleeding--among any of the Iranian wounded. And Johan Santesson, a Swede and a leading mycologist, believes that the simultaneous use of mustard gas and mycotoxins is highly unlikely. "The reaction of the two substances on each other would, if anything, reduce their toxicity," he says.

In the course of investigating a number of duds along the front lines in the Persian Gulf, the four experts of the UN commission also found evidence of mustard gas and Tabun but no mycotoxins. There also was unmistakable evidence of mustard gas in the analysis of a bomb charge undertaken by Vienna toxicologist Gottfried Machata.

Thus, the long-held suspicion that the Iranian poison gas victims were not war casualties but had been injured in chemical accidents has dissipated. "The wounded have suffered the same kind of burns with which we are familiar from World War I," Machata says. Following a 1-week stay at the front and in Iranian hospitals, his colleague Freilinger reaches the same conclusions. "At Khorramshar, I saw 150 patients with unmistakable nerve gas symptoms: vomiting, breathing difficulties, eye and muscle convulsions, attacks of vertigo."

"In their desperation that they might not be able to stop our attack on the Majnun Islands," says Muhammad Khayraishi, Iran's ambassador to Austria, "the Iraqis resorted to the most inhuman means of all." But the world, he complains, merely "looked on and kept silent."

There are [he says] between 3,500 and 3,600 Iranian victims of Iraqi poison gas attacks; more than 40 have thus far died of their injuries. The Baghdad regime broadcast warnings over Iraqi radio which said: "You will no longer be able to breathe; you will no longer be able to have any children."

Ambassador Khayraishi is not willing to deny that Iran, too, possesses chemical weapons. "But since the revolution no more have been introduced into the country" [he adds]. Has Iran never contemplated using chemical agents herself? "We have never used chemical weapons," Khayraishi says. "In fact, we condemn this type of warfare." Even in an extreme emergency; as a last resort? [we ask] "We will defer such use as long as we can," the deeply religious diplomat tells us.

"But," he adds with righteous rage, "if the Iraqis should attack, using chemical agents once again, we would have no other recourse than to retaliate in kind."

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SOVIET EMBASSY PROTESTS VISIT BY U.S. NAVAL SHIPS

Helsinki HELSINGIN SANOMAT in Finnish 5 Apr 84 p 11

[Article: "Soviets Astonished by U.S. Naval Visit"]

[Text] The Soviet Embassy in Finland has expressed astonishment to the Foreign Ministry at the timing of the visit by U.S. Navy ships this spring. The visit by two American naval ships will begin today or on the same day that the 36th anniversary of the YYA [Friendship, Cooperation, and Mutual Aid] Pact between Finland and the USSR is observed in Finland.

Assistant State Secretary Klaus Tornudd of the Foreign Ministry admits that the matter has been discussed with the Soviets, but Tornudd will not reveal any precise details.

According to Tornudd, the YYA festivities and the naval visit are not connected with each other in any way. From our point of view it is, most of all, important to dispel any possible misunderstandings, states Tornudd. The timing of the American naval visit was nailed down 6 months ago and those who took care of this matter did not happen to notice at the time that the YYA festivities would fall on the same day that the ships arrive in Helsinki.

The General Staff, the Defense Ministry, and also the Foreign Ministry participated in the preparations for the naval visit, which concludes on Monday. Now the naval visit is considered to be unofficial in its nature.

The coincidence in timing is characterized in Finland as annoying, but at the same time there is a rejection of any conjectures that the mix-up would cause problems between the two countries.

For some Finnish officials it will cause the dilemma of having to choose between the Soviet and U.S. embassies on Friday. Both embassies are planning a reception at the same time. The Soviet Union in honor of the YYA Pact and the USA in honor of the naval visit.

The 36th anniversary celebrations of the YYA Pact between Finland and the Soviet Union will be held this evening at the Cultural House in Helsinki. President Mauno Koivisto and his wife will participate in this event. The chief Soviet guest will be Foreign Minister V. M. Vinogradov of the Russian Soviet Federated Socialist Republic.

On Friday 6 April 36th years will have passed since the signing of the YYA Pact.

'AX-LINE' MP KEMPPAINEN HITS SOVIET INTERFERENCE IN CP

Helsinki HELSINGIN SANOMAT in Finnish 4 Apr 84 p 7

[Article by Janne Virkkunen: "Change of Leadership Alone Not Enough"]

[Text] Mere personnel changes at the leadership level are no longer sufficient in the Finnish Communist Party. The SKP [Finnish Communist Party] is in need of an energetic Central Committee, which will restore order to the party and employ for the SKP only such officials who will act in accordance with the will of the boss.

This is how Arvo Kempainen, MP from Kainuu, concisely describes the SKP's prospects in the near future. This in a nutshell is one way of unifying the SKP, which in practice has contained two parties within itself for more than 10 years already: Saarinen's majority and Sinisalo's minority.

Finnish Communists' life together has been like a marriage, which a strong-willed mother-in-law (the Communist Party of the Soviet Union, CPSU) has kept together by supporting the minority, sometimes publicly, sometimes secretly.

Arvo Kempainen, 37, a balding and bearded doctor from Kainuu, represents a line in the SKP which would like to begin an independent life and develop equal relations with the mother-in-law.

Willingly or unwillingly another separatist direction in the Communist Party, the axing line, has become personified in Kempainen. Kempainen's views will be weighed in May at the SKP's 20th Congress in Helsinki.

Arvo Kempainen has become known as a supporter of KANSAN UUTISET, the chief organ of Communists and People's Democrats, which outspokenly provokes the minority and encourages the majority to mount a final struggle for the SKP.

For example: "Many have lost their view of the future and have given up, they have not renewed their membership book. Many do not want to vote as the internal confusion has continued in spite of all the decisions. Both positions are untenable. A better time will not be achieved in the party, no progress will be made if the best forces leave the party. Then the party will remain in the hands of conspirators who learned their methods of operation during the period of being underground or during the era of Valpo (State

Police, which the Communists controlled after the war). Could anything worse be predicted for the party and along with it for the whole people's democratic movement."

House in Order

In Kemppainen's opinion, the term axing line originates from TIEDONANTAJA, the chief organ of the Taistoites. "The purpose is to create a negative picture of a movement which began primarily in the North and gained momentum just before the 19th Congress, a movement which demanded that the party's house be put in order and that regulations and decisions be honored so that they would obligate and bind everyone. There is no other alternative."

Communists of the likes of Kemppainen promoted solutions a year ago after the election loss of eight seats for the SKDL [Finnish People's Democratic League], by which the party's minority would have been strictly disciplined, but the project died on the vine.

Kemppainen considers that SKP Chairman Jouko Kajanoja was a factor in making the Central Committee ineffective. It was no longer able to ensure that decisions were being carried out.

The Taistoite minority was saved once again and the majority decided that it cannot be renewed. Thus the districts pushed through clean lists on both sides in the just concluded congress elections.

In Kemppainen's opinion, the purpose now was to prevent the vacillation of majority delegates to the congress. According to him, this is what happened in 1981 when the change of party leadership did not materialize once the members from Helsinki gave in to the team of Aarne Saarinen-Taisto Sinisalo.

Neighbor Became Involved

Kemppainen himself and others who were involved also recalled very well the strong hold by which CPSU representatives pressured the parties into this kind of a final result. Now the same emissary from Tehtaankatu [location of Soviet Embassy], Valeriy Dmitriyev, for his part, has been travelling around the country.

The CPSU's interest is already demonstrated by the fact that two Soviet newspapers (ZA RUBEZHOM of the Union of Journalists and the party paper PRAVDA) have discussed the affairs of the SKP. For the sake of certainty PRAVDA also branded Saarinen and General Secretary Arvo Aalto by name.

Kemppainen predicts that the next few weeks will see an unprecedented wave of pressure on those participating in the congress. "PRAVDA's article reflects the fact that those working in the CPSU's Scandinavian Department want to have an even greater influence on the course of affairs in the SKP. Interference coming from the outside will be unprecedented in its severity, one can get ready for this."

Kemppainen refers emphatically to the Berlin Document of Communist Parties dating from 1976. In it each party was guaranteed an independent right to its own positions and it was agreed that no party would interfere in the internal affairs of another.

This continuing deviation is in Kemppainen's opinion contrary to the norms and is also "quite astonishing since this, in principle, serves right-wing propaganda, against which they imagine they are struggling."

Kemppainen clearly takes care not to accuse the CPSU of favoring the Taistoites. His object of complaint is the CPSU's Scandinavian Department, which "employs the same people who were in Finland already during the time of the Supervisory Commission."

A Formidable Central Committee

How would Arvo Kemppainen, a member of the SKP since 1968, a member of the Central Committee since 1972, and a member of the Politburo, which directs the practical work of the party, since 1981, organize the SKP's affairs?

Mere personnel changes alone at the leadership level are not sufficient, says Kemppainen. "The Central Committee must be made more formidable, capable of making decisions conforming to policy and sticking to them."

After that, it is assumed that changes will be made within the machinery also. Arrangements must be made within the districts so that the new phase can begin, states Kemppainen in promoting his policy line. "Otherwise, leadership changes would have no significance."

District Secretary Kemppainen would enforce the adherence to party decisions. Those who receive a wage from the party must act in accordance with the will of the boss, he says.

Kemppainen would not recommend key individuals of the TIEDONANTAJA Association for the party leadership. He emphasizes that the changes need not mean any kind of massive purge, but a completely normal reform, the kind the party needs and has not seen during the years of internal turmoil.

Kemppainen has clearly lost faith -- if he ever even had it -- in Jouko Kajanoja as a leader of the SKP. In answer to the question as to whom should be elected to the leadership of the SKP, Kemppainen answers as follows:

"The last time I proposed a team in which Aalto would have been the chairman and Construction Workers' Union Chairman Aarno Aitamurto would have been general secretary. They would have had experience in politics and organizational skills. Perhaps this time I will not take a stand on the chairmanship."

A Tactical Minority

In his straightforward manner Kemppainen criticizes the unity trend marketed by Kajanoja. Too many minority members use the unity trend as a shield, in

his opinion, and demonstrate a front of unity for tactical reasons. Kemppainen condemned the SKP's newspaper solution already during its inception last fall.

In Kemppainen's opinion, the minority will become capable of cooperation only in a situation in which it would be the majority in the party. "Then the minority's nature would change since its existence is based on a kind of power-struggle logic, whatever they may say themselves."

Is it possible that the SKP could slip into the hands of the minority?

"Naturally, anything is possible if the majority states that it is a waste of time to struggle for an organization which has nothing to do in society."

Thus the majority would begin to work only within the SKDL?

"Yes. In the postwar era practical policies have been made primarily within the framework of the SKDL."

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TERM 'NEUTRALITY' OMITTED FROM USSR ARTICLE BACKING KOIVISTO

Helsinki HELSINGIN SANOMAT in Finnish 5 Apr 84 p 11

[Article: "Komissarov: Koivisto Will Not Change Finnish Policy"]

[Text] Moscow--(Mikko Eronen) a well-known Soviet observer of Finland, who writes under the pen name of Yuriy Komissarov, is of the opinion that President Mauno Koivisto will continue to keep Finland's foreign policy on the Paasikivi-Kekkonen line.

He comes to this conclusion after reading Koivisto's book "Linjaviivat" [Policy Lines], which appeared last year. Komissarov's review of the book was published in a recent issue of MEZHDUNARODNAYA ZHIZN'.

In Komissarov's opinion an answer to these speculations can be found from Koivisto's book. In his review Komissarov quotes several points from Koivisto's text to demonstrate that Koivisto is, indeed, continuing the foreign policy course mapped out by his two predecessors.

The book review was timed to coincide with the 36th anniversary of the Friendship, Cooperation, and Mutual Aid Pact between Finland and the Soviet Union, which will be observed on Friday. Komissarov even mentions this anniversary in his review.

Komissarov also states by using quotes from Koivisto that the Finnish people unanimously support the Paasikivi-Kekkonen line.

Komissarov also emphasizes the regular personal contacts that have developed between our countries at the leadership level as well as long-term trade and economic cooperation again quoting Koivisto.

The review also includes Koivisto's opinion of the term Finlandization, or "if it is used to depict good relations between a large and a small country and between different social systems, we have nothing against it. But if it is used as a weapon against us, naturally, we are opposed to it".

The review, which was positive in every respect, clearly points out, again quoting from Koivisto, that Komissarov is of the same opinion regarding the

positive effect of the YYA [Friendship, Cooperation, and Mutual Aid] Pact on the future of Northern Europe.

Komissarov also relates to the Soviet reader that Koivisto is of the opinion that Finland will even in the future attempt to accomplish the well-known concept of a Nordic nuclear-free zone and states that the Soviet Union has several times already declared its readiness to create such a zone. Komissarov does not offer any new viewpoints on this zone issue.

The fact that Komissarov does not even make one reference to Finland's neutrality in his review, the term does not even appear in the text, arouses attention.

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CONSERVATIVES ATTACK SORSA GOVERNMENT ON FOREIGN POLICY

Helsinki HELSINGIN SANOMAT in Finnish 4 Apr 84 p 11

[Article: "Conservatives Debated Foreign Policy"]

[Text] Finland's aspiration to remain outside of the conflicts of interest of the superpowers was the main theme of the foreign policy debate at Tuesday's full session of parliament.

The debate conducted in connection with an assessment concerning the government's activities in 1982 became an important part of the dispute between the various wings of the Conservative Party, in which factional colleagues assured Tuure Junnila that the foreign policy line has not changed.

The debate on foreign policy was kindled in the usual manner by Junnila, a veteran representative of the Conservative Party's right wing. He wondered for what purpose the parliament's Foreign Affairs Committee submitted a definition of Finland's aspiration to remain outside of superpower conflicts in preparing for its assessment of the government's account.

Junnila asked whether it was a question of an intentional effort to formulate a new foreign policy line disparaging neutrality or a slip-up.

Junnila hoped that it had only been a slip-up on the part of the committee. However, he continued by stating that Finland has not even otherwise observed consistent restraint in its foreign policy -- he probably had in mind, among other things, Finland's conduct in UN votes which concerned the occupation of Afghanistan and Grenada as well as the recommendation prohibiting the first use of nuclear weapons.

Deviations from the Path

Junnila accused Prime Minister Kalevi Sorsa (Social Democrat) and Foreign Minister Paavo Vayrynen (Center Party member) of deviating from the narrow path of a neutral policy. In Junnila's opinion, Sorsa deviated from this path in meeting with PLO Chairman Yasser Arafat in Tunisia and when Vayrynen went to Vietnam to dedicate the Pha Rung Shipyard.

Junnila quoted the Foreign Affairs Committee's assessment, which does not mention any intent to remain outside of superpower conflicts in the paragraph concerning the permanent, essential principles and procedures of Finland's foreign policy. On the other hand, the preceding paragraph talks about "an active and peaceful neutral policy" in the familiar style.

Liisa Jaakonsaari (Social Democrat) criticized Junnila for representing a thinking that promotes a withdrawal. In her opinion it is intolerable to think that Finland could not represent a peaceful viewpoint in conflicts. Junnila answered that he supports a "disgustingly realistic" thinking according to which Finland must primarily concentrate on promoting its own interests.

Minority Communist Ensio Laine stated that he has observed how opinions are being nurtured in Finland to accept the idea of making Finland a member of the European Council. As a means of promoting this concept Laine suspects, among other things, the EFTA-parliamentarian committee, behind which lurks the danger of a closer cooperation with the EEC.

Par Stenback (Swedish People's Party member), who was foreign minister in 1982, emphasized that Finland has not had and does not have any intention to join the European Council, with which it does, however, have a cooperative relationship.

Arafat Complex

Paavo Lipponen (Social Democrat) believes that many MP's are encumbered by an Arafat complex. He emphasized that Sorsa met with Israeli opposition leader Shimon Peres last year and the Social Democratic members of the Defense Committee met with the leadership of Israel's Workers' Party.

Junnila wondered why Sorsa has not met with Israel's prime ministers. He suspected that Sorsa has confused his role as prime minister of Finland and vice chairman of the Socialist International.

Elsi Hetemaki-Olander (Conservative) defended Junnila's justifiable question concerning Finland's foreign policy line. She instructed her colleagues in the faction to seek an answer from the first paragraph of the committee's assessment. She asked why Chairman Erkki Liikanen (Social Democrat) of the Foreign Affairs Committee was not present to defend the report. Hetemaki-Olander was satisfied that Lipponen is now a deputy for Sorsa in addition to being a deputy for President Mauno Koivisto.

Among the representatives of the opposition parties Ilkka Kanerva (Conservative) continued to support the committee's assessment against the doubts of Junnila.

Kanerva observed that Junnila's speech is reminiscent of the attempt of Abo Academy's researchers, particularly Professor Krister Stahlberg, to measure the credibility of foreign policy by the frequency of the appearance of the word neutrality. Kanerva also asked why Foreign Affairs Committee member

Veikko Vennamo (Finnish Rural Party member) did not participate in the preparation of the assessment at all.

Just as in the manner of Hetemaki-Olander, Kanerva criticized Liikanen, whom he felt should have been present to defend the assessment.

Jutta Zilliacus (Swedish People's Party member) considered that a "short sentence" on a neutrality aspiration would not have been bad in the assessment. "It would not have cost very much," Zilliacus stated and considered that the issue will not now be expressed in the same form as before.

Vennamo, who concluded the discussion, called the dispute "a kind of foreign policy debate" and stated that he has come to the conclusion that there are at least three foreign policy lines in the Conservative Party.

"Majority Satisfied With Gentlemen's Promises"

In addition to neutrality, parliament devoted a long time to a deliberation of the Constitutional Committee's assessment of the same government account, in connection with which an objection was submitted by five representatives of the Center Party, SKDL [Finnish People's Democratic League], and the SMP [Finnish Rural Party] with respect to Imatra Power's pricing policy.

The committee's majority wants to wait for the position to be taken by competitive representatives with respect to Imatra Power's position and its pricing system. Those who submitted an objection wanted Imatra Power to adopt actual production costs as the basis for the pricing policy to be put into effect in the fall of next year as well as to eliminate excessively great price differences.

Hannele Pokka (Center Party member), one of the individuals submitting an objection, stated that the Constitutional Committee had a unique opportunity to adopt a stand on the pricing policy of electricity. "The committee's majority was, however, satisfied with the gentlemen's promises."

After a long discussion, parliament in its only deliberation of the resolutions proposed for the assessment took a vote and rejected all of them. The SMP, which proposed that the investigation of economic crimes be made more effective, received support from the SKDL while, on the other hand, the SMP's resolution according to which an error had been made in the taxation of old-age pensions, was rejected by a vote of 72--67.

The government's proposal to prohibit radar detectors was the subject of the evening's preliminary debate before sending the matter to committee aroused reactions from several MP's. The opposition criticized the bill for, among other things, the fact that it will make home searches and body searches possible. Certain ruling party representatives also considered that the bill goes too far in this point.

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HELSINKI CP DISTRICT WANTS PARTY CONGRESS TO ALTER ECONOMY PLANK

Helsinki HELSINGIN SANOMAT in Finnish 4 Apr 84 p 11

[Article: "Finnish Communist Party to Support Commercial Banks"]

[Text] The Communist Party's Helsinki District has written its own platform parallel to the theses prepared by the party leadership a few months ago.

According to the shadow theses proposed by Helsinki's Communists, the SKP [Finnish Communist Party] must make an about-face in its political struggle. The SKP should no longer oppose big capital and monopolies in the old manner, but, to the contrary, it should support and strengthen the concentration of capital and credit lending into the large financial institutions such as the National Bank and United Bank.

Communists must also strengthen the Bank of Finland's independent position and state-owned companies and promote the intertwining of private capital and state power more aggressively than before.

Such a support policy will strengthen the "material prerequisites" of socialism in the opinion of the Helsinki District.

The thinking of Helsinki Communists is that in the event of a suitable social crisis socialism can be put into motion in Finland by socializing the powerful commercial banks and insurance companies, which control the ownership of the country's industry and means of productions by their lending of credit. A strong Bank of Finland is acceptable in almost its present form as a central financial institution for a socialist Finland also.

The Helsinki District, which at this time is in the hands of the party majority's radical wing or the so-called axing-line, made public its own platform "Communist Policy in a Plutocratic Finland" on Tuesday. The pamphlet is intended for the support of preparations for the SKP's new platform in the manner of the party's official theses. The intent is to approve the new platform at the 1987 Congress, but the matter will be debated already at the congress to be held in May of this year.

Valitalo's Theory

The shadow theses of the Helsinki District are, to a great degree, the handiwork of Licentiate in Political Science Heikki Valitalo, a former official of the Housing Administration. The shadow theses were formulated approximately 2 months ago when the party leadership made its own platform public.

According to Valitalo, the party members in Helsinki wanted to write their own discussion paper since the party leadership's theses are "populous, non-Marxist, and contain Social Democratic traits." Communist theory does not, according to Valitalo, recognize, for example, the kind of gradual transition to socialism on which the platform of the party leadership is based.

According to Valitalo's theory, socialism can slip into Finland as the consequence of any social crisis. Such crises resulting in socialism could be mass unemployment, environmental contamination, economic depression, and an abuse of power or all of the above at one time.

"Any one of these crises could become fateful to capitalism as social development advances," states the Helsinki pamphlet.

The Helsinki District also justifies the writing of its own platform by the fact that the theses of the party leadership cannot be read like an encyclopedia and the theses do not arouse any kind of a debate.

National Bank, United Bank, and Pohjola Holding Reigns of Power

According to Valitalo's theory, the granting of credit in Finland has become an important source of economic and social power, more important than the ownership of the means of production, since big industry has been made hostage to the lending institutions "right down to the last brick." KOP [National Shares Bank], SYP [Finnish United Bank], Pohjola, and similar institutions are the centers of power.

In the opinion of the Helsinki District, Communists should not be afraid of these centers of financial power, but they should support the concentration of credit lending and then socialize the most important commercial banks and insurance companies. Also there should be no fear of the closer association of enterprises and financial institutions with the state by means of various subsidies, laws, and taxation and interest as well as financial policies. To the contrary, in this way capital becomes attached to state power and this will facilitate the transition to socialism, confirms the shadow theses pamphlet.

The former specters of communism, monopolies and plutocracy, are thus made into causes for joy, omens of a transition to socialism. "It is stupid to oppose an inevitable development," states Valitalo in justifying this new platform.

"Finland can be governed by merely socializing the power of credit lending and this can be done without any major disruptions," states Valitalo and

promises to keep Jaakko Lassila as the general manager of a socialized KOP also.

Finland Already Tied to Socialism

In this Helsinki pamphlet it states that Finland has already slid rather far toward a socialist planned economy almost imperceptibly with the help of the Finnish-Soviet Economic Commission. Through it, approximately one-fourth of Finland's foreign trade has been nationalized. The scheduling of the general agreement to correspond with the Soviet Union's five-year plans, for its part, means a linking of Finland's foreign trade and its whole economy to a socialist economic system, state the shadow theses.

According to the pamphlet, Communists should also promote enterprise democracy, an opportunity for workers to influence a company's affairs. In this way workers can gain experience for a new workers' power even though there would not be any great immediate benefit coming from enterprise democracy.

Helsinki's Communists have also taken a clear stand on behalf of SKP and SDP cooperation and also on behalf of a government cooperation of the left and the center while SKP Chairman Jouko Kajanoja has recently primarily supported the idea of the SKP remaining in opposition. According to Helsinki's Communists, a people's front cannot be created without cooperation at the government level.

Communists should also adopt a positive attitude toward the SKDL [Finnish People's Democratic League] and restore a confidential cooperation with it, state the shadow theses. The Taitoites, in particular, view the SKDL's independent behaviour with disfavor.

Valitalo, who formulated the shadow theses, stated on Tuesday that he is awaiting with interest to see how the SKP's Taistoite minority will react to the Helsinki District's pamphlet and "whether it will be labelled revisionist or right-wing opportunist."

Members of the SKP Politburo received the Helsinki District's pamphlet a few days ago. The comments of Chairman Kajanoja or of the other members of the Politburo have not yet been conveyed to the district.

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PAPERS COMMENT ON RESULTS OF CP PARTY CONGRESS DELEGATE ELECTIONS

Helsinki HELSINGIN SANOMAT in Finnish 4 Apr 84 p 16

[Editorial roundup]

[Text] Majority Has Majority

The election of delegates to the Communist Party congress, which concluded on Sunday, was evaluated by KANSAN UUTISET, the chief organ of the SKP [Finnish Communist Party] and the SKDL [Finnish People's Democratic League]. According to the paper, the voting results indicate that a clear majority will be held at the congress by the traditional majority forces, "those who have been in key positions in the party for a decade and a half and have borne the responsibility for the party's policies during this difficult phase".

Preparations are now moving into a new phase. The pressure is also being transferred to the delegate factions. The task will be the preparation of a policy line and organizational decisions for the congress and the completion of preparations for the election of a party leadership, which most likely will not be any easier now than before.

"The objective is a clearly defined congress, which will reform and unite the party and decisively improve its operational capability, particularly that of the Central Committee, on the basis of the principles of scientific socialism."

Guilty Will Be Disclosed

TIEDONANTAJA, the organ of the SKP's Taistoite minority, points out that delegates supporting the principles of Marxism-Leninism have received a strong representation at the congress. Now in the opinion of TIEDONANTAJA, there must be a disclosure of those who are guilty of causing a significant portion of the working class to no longer trust in our party and of causing relations with fraternal parties to deteriorate.

"The task of the 20th Congress is to bring an end to this temporary but difficult crisis in our party, a crisis which has manifested itself as dissatisfaction among a large portion of the working class toward our party's policies

and as an inability of a part of the party leadership to carry out a united and consistent policy in its work.

"The congress will be a test of the party's maturity, its faithfulness to the cause of socialism, and its class consciousness, discipline, and orderliness. The manner in which the congress delegates meet this test will depend on the members and on how they instruct their delegates.

"Our party already has behind it a path of 66 years of struggle and 40 years of public activity. Now it has before it a clear and straight path of Marxism-Leninism."

A Stern Majority

KANSAN LEHTI, which appears in Tampere, is publishing a series article from SDP papers on the Communist Party's congress elections under the title "A Clear Game." According to the article, Chairman Jouko Kajanoja can retain his position, but at that time this will occur only as a result of the approval of the CPSU.

"What will happen now? Presumably, the SKP's majority will demonstrate a hitherto unseen strictness in its attitude toward the minority and its attempt to restore unity by this means. Jouko Kajanoja will leave or if he succeeds in continuing, he will have to cease playing a solo role.

"Both the new Central Committee and Politburo will receive a stern majority, which will not care very much even if the minority disappears from the whole party. The approval of Taistoites among the voters is, in fact, so small that the majority considers that it can withstand or at least quickly recover from any losses caused by their disappearance."

10576

CSO: 3617/135

CDA'S DE VRIES ON COALITION, MISSILES, ECONOMY

Amsterdam ELSEVIERS MAGAZINE in Dutch 24 Mar 84 pp 154-158

[Report on interview with Dr Bert de Vries, leader of the CDA [Christian Democratic Appeal] parliamentary group, by correspondent Alice Oppenheim: "The Next Three Months Can Completely Burn Down the CDA"; date and place of interview not given]

[Text] "The next 3 months can completely burn up the CDA. We will really skirt the edge of the abyss. Perhaps we will fall in it..." he said cheerfully. The fraction chairman raises his glass, twirls the wine around and swallows it the wrong way. He coughs himself modestly back into shape and then says: "and then he swallowed the wrong way."

De Vries seems to have a grim humor. And an unexpectedly broad knowledge of himself: "I naturally see best the difference between the presentation of Ed Nijpels or Ruud Lubbers and my behavior. One makes his speech more commercial than the other. You must analyze people so that you know how to get their attention. You can call that selling, and I am not so good at that. That is not a question which I convince myself about, you notice that from the reactions in the country. 'Sir, they write me, present it with more warmth and more expressiveness.'" He appears warm and expressive when he says: "Consequently I do try to do it, but I am one who reacts indirectly and learns everything by doing. By playing a definite role, the corresponding behavior comes more or less by itself. Moreover, one of the things which has been imputed to the CDA in the last 5 years is the element of unreliability, fickleness and lack of credibility. I think that in that respect I have something to offer. Because a certain steadiness radiates from me, the party is consequently labeled somewhat less with that image."

He is tired. The CDA fraction was the guest the whole day of the city of Amsterdam. They visited the pride and misery of the metropolis in small groups. De Vries walked very "out of place" in his well fitting dark blue raincoat between a town councillor with slippers and sky-blue socks, a little stone of matching

color in her ear, and an officer in loud yellow shirt behind a similar pair of spectacles. It was a remarkable team, on the gray of the neglected streets full of dog excrement, half strewn refuse and other uncleaned junk. After a mutual exchange about the things done which always take place with more difficulty, Mayor Van Thijn recommended he go eat in a restaurant in Reguliers Street, a side street. A greater contrast with De Vries' daily life is hardly conceivable. A tall punk young man brings him something to eat. "What is a man with makeup on? I have never seen such men." He admits that honestly. He is witty in the sense of: sticking close to his nature.

His father began as a dairy farmer, worked afterwards in the police and established himself finally as a private detective, in Groningen. "My parents said: your brother was sent to the evening commercial school, but you are a typical official, consequently you only go to take care of the tax collector's office, there you will do your best nicely. That happened, but I did nothing there, brought around coffee and stencils, for I was too young. Then I myself came upon the idea, I still had ambitions, to go to the evening lyceum. Now, my parents thought that best, for it kept me off the street. In addition, I had a nice extra income from my father's work...shadowing all kinds of unfaithful husbands and such, guards and such. We had a motorcycle especially for it. You could follow automobiles easier with it. I watched factories at night to prevent break-ins. Afterwards I placed agents who played billiards most of the day in cafes. It gave me some reservations about people, a realization that with respect to other people the outside is different from the inside and also that every person has his weak points. I have gained still more understanding of that sort of thing in that period. We lived in a rather rigid environment with definite standards and values. But I did not suffer under it.

De Vries, antirevolutionary originally, but less convinced of his own right than useful in that party, came into politics originally on the recommendation of former minister Albeda. He was not in one of the working groups which drew up the governing agreement because, insofar as he was known, he was considered an economist with "leftist" ideas. The president of the Nederlandsche Bank then, Zijlstra, occasionally expressed himself with rage about De Vries' ideas.

Since his appointment as fraction chairman, De Vries has been busy getting others to follow a policy and that has tended to broaden his views. Consequently his own voice is somewhat mute. Some think that De Vries gets his marching orders from Lubbers. He

is irritated by that: "It will be a concern of mine to say something. I was sought after for this position, had not expected it in the least. I must get used to it. I have been very busy discovering all forces as they operate in the community, as they operate in the cabinet and the fraction. And that leads to certain qualities now developing somewhat more. I will try, insofar as the cabinet allows me and provides me the opportunity, to let this coalition serve out its term. Now, if that succeeds, you also remain in the position you have established.

"The CDA maintaining its position in Dutch society and if possible strengthening it, is connected for me less with the personal ambitions of Mr De Vries. I have seen and I see that the men who sit there, only have a relative importance, whether he now is called Biesheuvel or Schmelzer or Andriessen. If he makes a mistake politically, he is ruined personally and goes into the wilderness. Consequently if the effect of my actions is that the CDA, the club, is going to line up as a unit, I think that is great. I want to be useful for the CDA. May that also be allowed?" Sometimes De Vries laughs like a farmer who has a toothache.

The CDA fraction is a varied mixture of children of one father, who by way of speaking, can occasionally knock each others brains out. Although never a unit, it is always busy with scenarios and occasional alliances. The right to an opinion of your own has not had so many political consequences in any single fraction. Bert de Vries leads the fraction calmly and with a stiff sort of inflexibility for which respect is slowly increasing. "The fraction naturally still feels that I am a social economist in the first place and give less attention to the approaches to the quaternary sector and welfare policy and the international policy position. It comes gradually, especially because of nuclear weapons problems, but is consequently particularly focused on that. However I visited Israel for a week to survey the situation there. But, public health, public housing, the environment..so many factors, you simply cannot absorb so many things in such a short time. It has two aspects. On the one hand, the fraction members have great freedom because of that and on the other hand, they have the idea that you are ignoring them and lack interest in them. Now, as long as it goes well, I have no difficulty with that and do not lose any sleep over it."

De Vries thinks the country needs a coalition with the VVD People's Party of Freedom and Democracy, "but I can govern just as well with the VVD as with the PvdA Labor Party," he says.

He also says "as a person I feel no less attracted to the PvdA than to the VVD. There are factors and also personal relationships whereby I say: it would not be repugnant to be. But, at the moment, I do not see that happening, unless the PvdA finally becomes realistic." He looks as neutral as it sounds later on the tape. There is only tone in his voice when he indicates his priorities: "But I consider the CDA's success more important than any coalition whatever. I think that in the long run the CDA can be a stabilizing factor in Dutch society and develop forces which operate in the direction of a consensus instead of polarization like today. Otherwise you will get here in the Netherlands something like England, first Thatcher, then Labor. Consequently, if the CDA becomes a failure, I consider it a disaster for Dutch politics and society.

The success of the CDA, as it appears recently, is connected with the credibility and eloquence of most churches and public opinion. "And that is dreadfully boring," says De Vries, while a little desperation appears in his eyes." We were with the Catholic bishops, to discuss many good things there. They see that bit of their own responsibility which we politicians need to have. Consequently the Calvinist and reformed synods do not do that. They say: the church speaks here, you have to listen. The mixing of church and state is back again.

"Besides, it is also a factor that some colleagues have aroused expectations because they have sent out definite signals to parts of the community. I must take that into account. Those people must be able to maintain their political and personal integrity. Those people have made a great problem for themselves with the cruise missiles, the Pahers, the Matemannen... The party executive committee agreed to the possibility of the grievance and consequently I will respect that. Yes there are outside possibilities, fed up with Christian democracy. With a coalition having a majority of four votes, the opportunity exists for people to maneuver themselves into a position of authority. That is a bit of a threat, yes yes..."

In the future Bert de Vries will need all his pyrotechnical qualities to see to it that no crisis arises through the intermediary of the CDA and to prevent the CP from finally casting the decisive vote. No one may have that on his conscience. "And a referendum," he says without any hesitation, "I consider a cowardly solution, an ad hoc solution. Then you place the responsibility on the people. In practical politics I say: as soon as parliament is considering a subject, which it feels that it might well turn out otherwise in the opinion polls than the majority opinion in the chamber, and shifts that responsibility, you get a deterioration of everything.

"Opinion polls are nice, but you must not attach too much importance to them. As far as I am concerned, they have not become a political factor because I would like the scientists to be somewhat more objective. The CDA has never manipulated voters regarding nuclear weapons. I mean, playing on the feelings of the masses and emotions as the IKV [Interchurch Peace Council] and the PvdA do; thereby we end up in a special position.

In spite of the late hour, the busy day, the heady wine, De Vries continues to speak very cautiously and in detail. Nothing like a loose tongue and perhaps we will see. He must acquire frankness. Nothing like playing them off against each other and then using them. "If I must choose in nuclear weapons policy" he says reflectively, "then I say that you as a politician must weigh the most important against that which can contribute in the international field of power politics to the maintenance of a balance between the two superpowers, and which can have a restrictive role with respect to nuclear weapons. But as a Dutch politician you must at the same time observe what society feels and thinks. I really cannot think out all the international ramifications. And I will explain why that is not political opportunism, but wisdom. It is much better if this coalition lasts out its term. And the CDA's adventure must succeed."

De Vries does not have any rigid ideas about the matter. "There are things where I am flexible. I do not live every day with the idea that it could be my last. I go home in the evenings, spend some time speaking to my wife and then I go to sleep. I have a nice wife, who looks much younger than I. You would be surprised if you saw her. He again says something about his appearance, that he appears older and dull. But that is really not so. He has a good head, very pleasant eyes and a trim figure. And it proves the idea that others come to see you as you see yourself.

"Listen, I am not such a fellow. Luckily that is not necessary with us at home. The children are also not unnecessarily clever or self-assured. My wife comes from a family with eight children, her mother had heart disease, consequently my wife took care of the little ones. When we were married, she went to the evening MAVO [Advanced Elementary Education School] while I studied at the university in Rotterdam. She cooked mostly and then left when I came home. Then I ate with the family and put the little ones to bed and so on. I found that desirable and never had problems with it. In spite of all that, I sat down to work on my thesis. Look, in a situation when you each know that you both do not want to harm and deprecate each other, you can say practically everything to each other. We have that feeling of

security with each other. That is a stroke of luck, for I know that things can go wrong without further ado.

"I think and it is an actual political point of discussion, that when it involves rearing children, the first responsibility is with the parents. I know that here and there there are genuine desperate cases for which you as a government must make provisions, but to finance all day nurseries at the community's expense because both parents want to work is really not practical. No more than I think that when businesses run into difficulties, they must automatically run to The Hague to see if there is something to get there. And if that means that instead of a subsidy from The Hague the employer himself must provide part of his income to maintain that business, then I say: that is exactly the way it should be."

The Entrepreneur Climate

Bert de Vries does speak about it, but not long. It is clear that he is hardly concerned with that world, no more than with that mentality. "Naturally there must be national and international confidence that our policy is conducted reasonably consistently, consequently we must keep the public sector under control. But at the same time, I do not see the solution so much in a situation whereby you reduce all people who must live from a benefit to half of the minimum wage. And as far as I am concerned a drop of a few percent does not help the entrepreneur climate at all. And it also does not involve a half billion less taxation or tax relief for business."

What then it really involves, he does not make clear, except with: "We have put the matter in cold storage and we probably will continue a few years with that. And: entrepreneurs are intimidated when they think that if you undertake anything, you are more or less considered an antisocial figure. Consequently I think that you must consider the realities of life and that you need entrepreneurs in the country, and that it also is not a disgrace. My view is that striving for more equality leads to the impoverishment of the whole community, when you pass a critical point. Consequently I prefer a certain degree of inequality, which still results in the weaker persons in the community benefiting from it.

The weaker persons. We live in a period when there is serious discussion in the chamber about the actual genuine minimums. De Vries sniffs and lets his eyes wander over the fashionable customers in the restaurant. "That is the question," he says coolly, "whether I need testimonial politics, if you intend to

preach in the sense of ideals which you cannot realize. We live in a subsidy society in which we have created the illusion that benefits are free, while you afterwards pay with taxation and premiums. And then there still is a bureaucrat between. You may easily regard that critically, but I certainly think that at the present time in which you can no longer maintain the benefits for people with lower incomes as purchasing power, we must be very cautious in again tackling quickly the rent subsidy, the family allowance, the libraries and what have you.

"On the other hand, we talked people in the sixties and the seventies into a sort of mentality where they only count if they are weak. The concept 'weak' has deteriorated politically. A sort of competition developed: PvdA and CDA had to bid against each other for the favor of the weaker. I wonder whether that is genuinely Christian-democratic. In the ARP /Antirevolutionary Party/ we always had the principle of sovereignty in our own circle. That sort of theory was gradually pushed into the background. From my Christian conception of life, I still think that man only shows to his best advantage when he is a responsible creature who makes choices himself and that also holds true for the way he spends his money.

"Many people remain on a minimum. And when we have in view the social minimum in this country, that depends on the values and standards which exist at this moment in society. For in all the countries around us it is lower. From that it appears that the poverty limit, as we see that, shifts higher and lower in proportion to the benefits we offer people, improving or reducing them. The social minimum will always be something with which one refers to what the neighbor has. In one decade an automobile will belong to that, while in 1960 an automobile was a great luxury.

"Consequently everything depends on the general level of prosperity. I can understand that an automobile no longer fits in a minimum income. Not because I do not allow it to people, but because many can not afford it. And if people do not pay their energy bills because the washing machine is broken, then I am inclined to say--however unpleasant it sounds--you must know yourself how you handle your money. And if you think a washing machine belongs there, then you think that. But then you must save on other things so that your money is sufficient. And then they must really pay those expenses for housing and heating and on time. And the fact that they do not do it, is one of the great problems we have at the moment. Attachment of wages is already possible, but attachment of benefits is still not. I do not exclude that we must yet go to that."

The evening is almost over. De Vries gets something red in his eyes. Because he really is more adventurous than he appears, he still runs around in a very fashionable "Oblomow" and appears reliable and solid there, with the children dressed in pastel colors. On the way to his car, he says without any coquetry: "This is all new for me, that is still from your background extra difficult, but certainly an entertaining little article of that work as fraction leader. But it all has to do with the situation in which you are in. You must remain relativist. I always realize we can have a crisis for several months and years and then someone else comes. I understand that all those exciting, fascinating things which now are my lot, bring many concerns. But they also mean some enrichment of my life. I have already learned an awful lot from my mistakes, including the 'freeze resolution' and from the things which went well, as the South African discussion last year. In politics there are certain variable factors and I have no difficulty with that. Afterwards I will occasionally read Macchiavelli, then I will see whether it actually fits in."

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MIGUEL ROCA ON AUTONOMY POLICY, PSOE PACT, TERRORISM

Madrid YA in Spanish 2 Apr 84 p 7

[Article by F. L. de Pablo]

[Text] "The Government has no autonomy policy and is therefore trying to cover up its failures in some communities by generalizing the problems of the process. The fact is that, with the socialists, transfers have suffered a slowdown, for bureaucratic reasons and, above all, for lack of political decisiveness. We, after 4 years of self-government, have now absorbed 85 percent of the assumable services, but we are still lacking functional control of some major areas, such as those relating to the INEM expansion unknown so that we can address the unemployment problem; some under the Ministry of Agriculture; administration of Social Security... But there are delays: Agreement was reached 2 months ago on the transfer of farm boards and universities, which was to become effective the first week in March; these transfers have still not been made. If we do not understand each other and do not dialogue, it is because they don't know what it is they want."

This is the way Miguel Roca Junyent expressed his views in the conversation we had with him concerning the results of his 4 years of dealing with the central Government as chairman of the joint State-Generalitat Commission. The Catalan nationalist leader, who is now conducting a nationwide campaign in an effort to rally peripheral support for the system, asserts that delays by the Government in setting the level of participation by the communities in the central Treasury's revenues from nontransferable fiscal functions have made it impossible for communities, like Catalonia, to draw up their budgets and compelled them to operate on the bases of extensions of last year's budgets.

Delays in Transfers

As for the rest of it, Roca acknowledges that serious problems have not been encountered by this first autonomous legislature in its relations with Madrid. Relations, however, have varied widely depending on the governments involved. "In the beginning, things were easier, but the slowdown came with the autonomy agreements and the LOAPA Basic Law on the Coordination of the Autonomy Process. Delays of as much as 1 year have been experienced in the turning

over to us of agreed transfers. This has produced the debates on debts owed to Catalonia by the state, which we have finally succeeded in clearing up. This is why we can now run for election without a deficit, having cleared the books of credits, and without having increased fiscal pressures. We have gotten our self-government under way with a number of accomplishments in a climate of stability and harmony that no one disputes, and without confrontations with the rest of Spain. And now we want to contribute to radicalizing self-government, addressing the real problems of our citizens and working toward the goal of societal well-being."

The calm Catalan leader refuses to be fazed by the accusations of the socialist candidate to the Generalitat, Raimon Obiols, to the effect that the Convergence Government has generated discriminations in Catalonia and that it has contributed to the creation of two distinct communities. "I believe," Roca commented to us, "that we have contributed to the assertion of our Catalan identity, contributing thus to a better definition of the Spanish identity and with a more active presence in everything that contributes to the governability of the state. In Catalonia, there are not two communities. There may be some irrelevant instances. The PSOE is trying to make an issue of alleged discriminations to cover up some of its own failures in the running of the national Government, but this can hardly fool anyone in Catalonia. The Castilian-speaking workers are continuing to work in Catalonia, and most of the emigration, which last year totaled 17,000 persons leaving Catalonia, consists fundamentally of retired emigrants who, with their small pensions, can live more comfortably in their towns of origin than in a big city where living is more expensive for all."

A Single Community

"A few days ago, I saw proof that we do not have two communities, but rather a differential linguistic factor that at times posits problems of an anecdotal nature. In Santa Coloma de Gramanet, a city in which over 90 percent of its inhabitants are of other than Catalan origin, a survey by the Ayuntamiento has found that 40 percent of its inhabitants want their children to receive a Catalan education, another 40 percent want it to be a Castilian education, and the remaining 20 percent express indifference in this regard. We do not want to assert our Catalan identity at the cost of having to erase our Spanish identity. They are compatible identities."

No Pact with the PSOE

Miguel Roca flatly denies that the CiU [Convergence and Union] has a pact with the PSOE to govern Catalonia. "We do not have and will not have a pact even though the election results might seem to point to one, because we believe we are going to win an absolute majority and because, if we do not have one, only an agreement between the PSOE and the AP can keep us from continuing in the Government of the Generalitat, and that is not going to happen. We would not govern jointly with the PSOE for obvious reasons of style, of model, of outlook and, above all, because we would lose our opportunity to assert self-government. When Gonzalez differs with Escuredo, he

compels him to resign. If Pujol differs, he ends up sitting across a table from Felipe Gonzalez and obtaining an agreement. For example, the agreement acknowledging the state's debt to the Generalitat; that is the difference. That is why we cannot enter into any pact whatever, and why the PSOE is doing the next to impossible, playing a clean game and sometimes a dirty one, to win; because it knows that its defeat here will have an impact on the rest of the country and on its own membership."

The Reformist Option

The Catalan leader is devoting his entire efforts to running the campaign, and Pujol must continue covering the governing function. If CiU retains its dominance in Catalonia, it will be in a better position to "sell" its "Operation Reformism" as an alternative to socialism throughout the country--an operation in which precisely the peripheral nationalisms that found themselves "centrifuged" in the process of inception of the autonomy state would now contribute to the strengthening of unity.

"We are trying to promote agreements or coalitions that rest on confidence in a person who belongs to one of those parties that seeks to form a joint electoral bloc. We have the example of the Popular Coalition, or in the French Right, in which different parties coalesce. CiU wants to help create this Reformist bloc by way of the proper formula. The Reformist Party is already preparing to hold its constituent congress in September or October. Six months ago very few people spoke of this option, but today everyone who is watching the development of the future elections thinks of liberal reformism as an alternative option between socialism and the Right. The citizen is beginning to realize that this possibility exists, and throughout Spain, no matter what region one may wish to visit, there is a spontaneous response, a very substantial one."

Reformism, according to Roca, "addresses two opposing options that seek to minimize the role of civil society and of the individual--one because of its totalitarian or authoritarian bent, as in the case of socialism, and the other because, by definition, the Right always stands for the defense of interests that are concrete, elitist and, in a certain way, interventionist. Our reformist option ensures freedom and real progress. We want an efficient and modern Spain, in which the citizen plays the leading role in his own future, adhering to the autonomy model of the Constitution."

Roca rejects the notion that his reformism is being created to become a "hinge." "In whatever case," he says, "we are being created to become a door. With the 3 million borrowed votes Felipe Gonzalez says he has, which by now are certain to have become disillusioned with the 'change,' plus the almost 2 million votes that were still cast for UCD in 1982 and those that may have become disenchanted with the leading opposition party, there are sufficient votes for a third option as strong as the two existing ones."

Pact Against Terrorism

As to the possibility of post-electoral pacts, Roca prefers to leave this question up to the 1986 election results, but asserts that he would not make a pact with any other force that did not guarantee him to "back the implementation of his own platform," and that he could not be insensitive "to the vote of castigation the electorate might cast with regard to any of the options. I would feel that I was betraying the electorate if, by way of my support, I were to shelter what the electorate had sought to repudiate."

Roca nevertheless acknowledged that the PDP "has points of concurrence and of divergence." "In Catalonia, however," he states pointedly, "our coalition is the CiU," alluding to the presence of Christian democrats in the latter. The Catalan leader expressed his continuing advocacy of a laical reformist option, in which the citizen retains the freedom of his or her own conscience with respect to issues relating to his or her own beliefs, such as religious faith, divorce, abortion, education,... His attitude toward tolerance of drug use is one of firm condemnation, as it is toward the disarming of the penal system by the Government without increasing the resources available to the judicial system, toward the TV monopoly,... And he is in favor of there being an institutional pact in the fight against terrorism and of assisting the PNV [Basque Nationalist Party] in bringing about peace in Euskadi, "with a commitment by everyone not to exploit violence as a political weapon. The most important thing," he concluded, "is that peace be made a reality."

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PDP EXPERIENCING SERIOUS INTERNAL DISARRAY

Madrid DIARIO 16 in Spanish 2 Apr 84 p 7

[Article by Jose Maria Flores: "Alzaga's PDP Preparing to Distance Itself From Fraga"]

[Text] Words are one thing and deeds are another, a very different thing. Despite Oscar Alzaga's repeated statements urging the continuation of the PDP [People's Democratic Party] in the coalition headed by Manuel Fraga, what is certain is that differences are beginning to surface among the leaders of this party as to whether it should continue in this "marriage" of convenience or, on the contrary, sever its ties and go its own way, or, in any case, opt for those other choices bent on capturing the reformist center and snatching from the PSOE [Spanish Socialist Workers Party] those millions of borrowed votes it is carrying in its credit balance.

All sights are set on the 1986 general elections, and some of the PDP's leaders are urging that a decision be made forthwith. Somewhat justifiably, many of them bear the burden of having spearheaded the collapse of the UCD [Democratic Center Union]. To advocate at the last minute the dissolution of another political alternative would be to alienate the electorate, which does not forgive splits and internal crises within the parties. On the other hand, a helter-skelter approach to things must also be avoided. Any and all means must be used to avoid falling into the same mistakes as the defunct UCD. Mistakes that were analyzed at great length over the weekend in the national convention held in Madrid on "Christian Democracy and Centrist Policy," or, as it was subheaded ironically by some, "The Search for the Lost Center."

One of Alzaga's principal criticisms of that political center which the UCD represented in its time was its inner contradictions and "ongoing improvisation." This is why the Christian democratic leader is leaving no stone unturned to avoid a repetition of these things in the PDP, and above all, to avoid any and all improvisation. Alzaga is dedicating body and soul to preventing anything having to do with the party from being left to improvisation on the part of anyone. This is what his close associates affirm when they are asked why so little of him is seen around Congress, where, with rare exceptions, his seat is always empty.

Strengthen the PDP, embark on opposition policy lines that differentiate it from the other two traveling companions that make up the Popular Coalition (AP [Popular Alliance] and UL [expansion unknown]), and above all, assemble a social structure that supports the party and that will gradually attract to it more popular support--not support for the coalition as such, but rather for the PDP as a differentiated force for the opposition.

These are the objectives being advocated by the Independent Rural Union, the Young Farmers, the Foundation for Humanism and Democracy, the Associations of Heads of Families, the parliamentary subgroup. Independent inter-rogatories with regard to the Government, initiatives of its own by the party. All of this working to the advantage of Christian democracy, the base that provides the PDP's footing.

But neither are those lacking in the party who hold to a more cautious view, who consider it preferable to continue arm in arm with the AP, at least for one more legislative term, stand the test of the ballot box together in 1986, then, depending on the results, have another look at the question. For, there is a factor that Alzaga never forgets: Our electoral system. Alzaga sees the 1977 Electoral Law as "quasi-Machiavelian," and with some reason. It provides not too many, not to say virtually no, opportunities for minority-based options. This is why the coalition with AP was an imperative in its time and why there is a fear now of a split. A miscalculation could scrap a creation and all the hours of work that have been put into it. And this is why Alzaga is urging patience on those who want to separate themselves from Fraga forthwith.

9399

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LUFTWAFFE CHIEF SHIFTS PLANNING FOCUS TO AIR DEFENSE

Bonn WEHRTECHNIK in German Dec 83 pp 23-30

[Interview with Luftwaffe Chief of Staff Eberhard Eimler by Wolfgang Flume: "Shifting the Emphasis in Planning to Air Defense is Particularly Important"; date and place of interview not indicated]

[Text] Lt Gen Eberhard Eimler has been inspector-general of the West German Air Force since April; he is the first inspector-general who received his entire military training in the West German Armed Forces. His primary mission for the coming years is the improvement of air defense, for example, with the help of the Fighter for the 1990's, "Patriot," and "Roland." He presently does not see any alternatives to this weapon system mix that would offer the same effectiveness. The inspector-general expressed his satisfaction with the newly introduced aircraft, the "Alpha," "Jet," and "Tornado," which will probably soon also have modern ammunition. He does not believe in a reorganization of the West German Air Force because, first of all, studies showed that the current structure is effective and, besides, any reorganization at this point in time would imply a loss in efficiency and time for the upcoming major projects.

WT [WEHRTECHNIK]: You have now been inspector-general of the German Air Force for 9 months and at the same time you are the first inspector-general to receive all of his military training in the West German Armed Forces. Do you believe that the changing of the guard in the Air Force command is leading to different command principles, to a different type of "management?"

Lieutenant General Eimler: Commanding one of the services of the Armed Forces is a complex process which is influenced by many factors among which command principles and management forms play just as much a role as the leadership style of those in command.

Let me briefly touch on these three areas.

I see no reason for deviating from the traditional command principles. "Mission tactics" and "the delegation of responsibility" will in the future be just as valid as the principle of "central command and decentralized execution." I cannot visualize a situation in which principles--and I have touched only on a few here--which have proved themselves for centuries in the art of military leadership can become obsolete within a foreseeable period of time.

On the other hand, modern command instruments--and here the key word is "data processing"--and discoveries regarding more effective methods of organization did lead to new forms of management. This is a development which my predecessors in office recognized and employed likewise. As chief of the "Command and Operations" Staff Division of the Air Force Operations Staff, in the middle of the 1970's, I already had an opportunity to cooperate in this effort.

The person involved always finds it difficult to answer questions regarding personal leadership performance--in other words, the individual's own style. I am a supporter of "first-hand information" which means that, in judging problem solutions, I like directly to hear the advice coming from the expert. I have found that, in handling the situation in this way, I can also reduce bureaucratic inclinations among the military personnel under my command.

WT: Probably everybody has some intentions, as he takes over a new office, regarding what he wants to attain in short-range, medium-range, and long-range terms. Which directions are your intentions aimed in and where do you believe the main points of your work lie?

Lieutenant General Eimler: The Blankenese Directive assigns me the twin mission of an Air Force manager in terms of administration and a division chief in the defense ministry. I would say that I like to believe that first priority goes to administrative management but this is probably not in keeping with requirements. The commanders of the various services and commands within the Air Force and the bureau chief of the Air Force Bureau support me in commanding the Air Force. They have the necessary competence, personnel, and resources.

I hold the position of division chief and I can hardly get any direct support from the subordinate sector.

I am mentioning precisely this aspect because the job of guaranteeing the Air Force's future is essentially controlled by West German Armed Forces Planning. And this also takes place according to the policy directives and requirements in the ministry so that this entire effort may then be justified in Parliament and so that it may afterward be translated into action from here.

Now, funds will be in short supply in long-range terms; besides, our manpower pool is somewhat low at this time due to a decline in the number of births for various age classes; so, I would say, that it is not so much the Air Force of 1983 or 1984 which is bound to make me worry; that Air Force of today is by and large efficient and effective, everything is in order, and

everybody knows it. But much remains to be done during the rest of the 1980's: First of all we have to finish the big "Tornado" project, we have to improve the success capability and the survivability in actual operations, we have to improve weapon effects on target by means of modern ammunition, we have to take care of the first part of adaptation measures for the Air Force reconnaissance system and we have to modernize command and communications instruments.

Shifting the emphasis in planning to air defense is particularly important and this, too, must still take effect before 1990 so that we will be able to balance out the lag which by that time will already have materialized in this component of the Air Force. During the 1980's it must be my goal to create an "all-around" Air Force in this fashion--along with well-balanced mission accomplishment.

During the 1990's, the continuation of the so-called allaround renewal of the weapon systems will then decisively determine our planning; this part of the all-around renewal effort will practically entirely benefit our air defense.

New weapon systems for air defense during the 1980's and 1990's at the same time constitute one of the essential prerequisites for resolving our structural problems which are simply bound to arise because of the low manpower supply due to the low birth rate in certain age categories--for example, we are going to have to rely more heavily on longer-service personnel since the percentage of draftees in basic training will be heavily reduced. New systems--in this case, in other words, for air defense--offer us an opportunity to reduce our personnel requirements. The numbers and skills of our personnel can be adapted to the estimated personnel supply through the technical design of the systems. Including such "manpower-saving technologies" in our planning is a decisive contribution from the services of the Armed Forces in order to maintain the position of the West German Armed Forces in the Alliance and in order at the same time to facilitate the necessary strengthening of our conventional defenses to begin with.

These questions alone confront an inspector-general with a "complete program" for years to come. This program can be worked out only with the help of a target concept which is designed in long-range terms, a job to be done step by step and with rational utilization of available resources. It is my intention above all to proceed pragmatically all the time, of course, but one must not neglect this long-term orientation of our action.

This is where I need everybody's good wishes and full support. The support I received during the first few months in office inside and outside the Air Force was very encouraging and I am grateful for this takeoff boost.

WT: You mentioned "manpower-saving technologies" which will be used in future weapon systems. Is the "Patriot" AA missile system already a system that was developed according to these criteria?

Lieutenant General Eimler: Yes. Once we get "Patriot" I can get along with about half of the present-day "Nike" personnel. In the case of the Fighter for the 1990's, it is also necessary to be very careful to make sure that I

can get along with less personnel. I am quite optimistic here because modern aircraft, such as the F-16 or the F-18, constitute positive examples here. For instance, the man-hour expenditure per flying hour is far less than in the preceding models.

WT: How satisfied are you with the training of your service? Were you able to get enough flying hours in? And how did flight safety develop?

Lieutenant General Eimler: The Air Force's already traditionally high training level was maintained on the whole in recent years--in spite of the fact that budget funds were getting tighter--and in some respects it was improved. This is documented again and again by international comparison. But training must not be construed in static terms. It must be adapted to the requirements of operational concepts and new weapon systems in a dynamic, flexible, and unbiased manner and it must take current discoveries of science into account.

Here is what that means in short-range terms:

Intensification of cooperation within the Alliance also regarding training--and I am thinking here of the joint European jet aircraft commander training program in the United States, joint "Tornado" training in Cottesmore and the "Nike" Training Center;

Increased utilization of modern training methods, such as learning-goal-oriented instruction, learning-goal-oriented individual training, and training media simulators, video, etc., as well as

Further systematization of training planning.

The quality of training helps decide the operational value of the Air Force. Here we must stress a definite improvement which we were able to achieve due to the shift of important training phases (very-low-level flight in the high-speed range, aerial combat, gunnery training) to Goose Bay, Canada, Decimomannu, Sardinia, and Beja, Portugal.

In taking this step, the Air Force managed to work out a compromise which makes it possible, on the one hand, to attain and to maintain the necessary training quality and, on the other hand, to make a contribution to the reduction of the burden on the population resulting from aircraft noises. Of course, there is a price to be paid for this compromise. The foreign facilities for exercises cost the taxpayer money--and this is why they cannot be expanded at random.

The flight safety situation developed favorably in recent months. The aircraft accident rate--that is to say, the number of aircraft accidents per 10,000 flying hours--is definitely lower than last year. This is due last but not least to the heavy emphasis on flight safety in the West German Armed Forces and the consistent continuation of measures designed to increase flight safety. But I am of course not overlooking the fact that "luck" also had something to do with this result.

It is our goal to continue this favorable development or at least to hold on to the current result. That is no easy task.

WT: The Air Force now has all 175 "Alpha Jet" in the wings and "Tornado" is in the pipeline. Are you satisfied with these new weapon systems from the flight and logistic viewpoints?

Lieutenant General Eimler: We currently have a remarkable generation change in our operational flying units which to some extent brings about a strong rejuvenation process in the squadrons. This first of all means a loss of experience for the Air Force.

This year, the aircraft commanders flying "Alpha Jet"--and other aircraft models--will attain the desired flying hour figure of 180 per year. Compared to last year, the flight safety situation has developed very positively beyond that.

Tactical training for "Alpha Jet" formations necessarily had to be pushed somewhat into the background during the conversion phase from the FIAT G-91 to the "Alpha Jet" because the most important thing initially was to "get a handle on" the aircraft. But in the meantime it has achieved the standard which we demanded. The operational readiness inspections by NATO, which were carried out after reassignment, yielded convincing results.

As for "Tornado," the German Air Force and the Navy, the Royal Air Force, and Italian Air Force in the meantime have logged about 35,000 flying hours, including 20,000 alone at the jointly operated training facility in Cottesmore. The crews agree on stressing the outstanding flight characteristics and increased possibilities compared to the models that have been flown until now. The "Tornado's" all-weather combat capability in conventional air-to-ground operations signifies a step in a new dimension for the Air Force and for the tactical air units in general.

Of course, considerable requirements regarding the quality of support and flying personnel are connected with this step.

Our experience to date confirms our assumption that a reliable mastery and utilization of the possibilities, which are offered by highly complex equipment, will demand skills that can be attained and maintained only through constant flight operations. Only crews with lots of practice will be able to master their equipment--and that is something we are going to stick to.

In contrast to the "Alpha Jet" we are only starting our conversion to "Tornado." The aircraft of the Air Force's first-line operational formation are now reaching us. Quite understandably, this kind of complex aircraft and the supporting equipment raises initial start-up problems in the technical-logistic area, all of which could not possibly have already been solved especially when it comes to equipment maintenance and supply. But there is a positive note: Initial flight operations were supported in such a way that we were able to meet the planned flying-hour program. The constantly rising ready rate shows that we are on the right track and that we can create

conditions that are roughly equal to those encountered on an international level in the introduction of such models as, for example, the F-15 or the F-16.

WT: In briefing the Defense Committee of the German Lower House on the Air Force concept, you quite understandably stressed air defense: Introduction of "Patriot" in 1988, introduction of the Fighter for the 1990's in 1994, and introduction of the MFS-90 (medium AA Missile System) in the year 2000 to replace the "Hawk." In addition to these big projects, to what extent will other procurements still be possible, for example, ammunition?

Lieutenant General Eimler: The objective of an "allaround Air Force" in the 1980's first of all still calls for the completion of the planned priority investments in areas other than air defense; they will benefit especially the fighter-bomber formation.

Modern ammunition will have to be a decisive item in any procurement calculation. We have made a beginning here with AIM-9L [Sidewinder] for "Phantom" and "Tornado" and with "Maverick" for "Phantom." We continue with MW-1 [multipurpose weapon] which is to be available with subcaliber ammunition for the purpose of engaging tanks to be issued to the first "Tornado" wing by the end of 1984. Tests with the runway cratering bomb at Eglin [AFB] were successful in the summer and I therefore assume that we will be able briskly to carry out the remaining development and series-readiness program also for these runway cratering bombs.

And then we also have to invest in antiradiation weapons; here we are thinking first of all of HARM [High-speed Anti-radiation Missile] for the "Tornado"--specifically in conjunction with procurement for the Navy. A project along the lines of the small radar suppression drone might also again become important after it had to be suspended in 1981 for financial reasons alone--and I want to emphasize the word "suspended" here.

"Alpha Jet" will also have to be equipped with modern ammunition, for example, "Maverick," and possibly an air-to-air missile to engage helicopters; but we cannot do everything all at once and the Air Force will have to take its time until next year to spell out a specific project.

All of these are really activities designed to round out the major projects, in other words, they are necessary supplementations and adjustments to guarantee the effectiveness of the weapon systems.

In addition to air defense, there will also be room for other projects during the 1990's. But we are establishing a definite main point here. It has already been firmly spelled out in planning as regards personnel, funding, and technology.

If we look at all of the Air Force projects together, then we also clearly see that we are aiming at comprehensively neutralizing enemy air forces through the ability to hit bases and through adequate air defense.

But support for our ground forces on the battlefield and through the effort to engage the "second echelons" retains its high priority.

My predecessor once pointed out that the Air Force during the 1980's will achieve the greatest combat strength gain for operations against the Warsaw Pact ground forces. This emerges clearly from the introduction of the "Alpha Jet" and "Tornado" weapon systems, the improvement in the combat value of "Phantom"--which at the same time of course also makes air-to-air operations more effective--and from available ammunition.

The Air Force will continue to improve this capability for engaging ground forces--especially in depth--also during the 1990's. The greatest increase in combat strength however during the next decade will come for fending off the threat from the air.

If Air Force planning concepts can continue to be implemented as a coordinated whole, then we will be making a decisive contribution for our region of Central Europe in the conventional area. This will deny the Warsaw Pact an opportunity to gear its air forces more and more toward the offensive to employ its ground forces according to plan.

WT: Lieutenant General Obleser, your predecessor in office, during a lecture once said that we should increasingly switch to conducting joint air war operations, in other words, a closer tie-in of air defense and air attack forces. This calls for corresponding command structures and command systems. How much closer has the Air Force gotten to this goal?

Lieutenant General Eimler: The development of the Warsaw Pact forces--above all their air defense system but also the requirement for the economical utilization of our own forces--compel us to employ all instruments of air warfare in a combined manner. I am deliberately talking about all instruments of air warfare--not just air attack and air defense forces, although probably the biggest obstacles are to be overcome here on account of the growth in the command structures and the differing primary missions.

Because operational command is a NATO responsibility, we are working now on solutions that will be common within the Alliance. You know that a comprehensive "Air Command and Control System" is currently being designed; it will facilitate flexible operational command of all air warfare instruments in a combined manner. Such a huge project cannot be carried out on short notice--we can only advance step by step. The first step has been taken: Methods have been developed which facilitate the employment of varying air warfare instruments under unified command. In medium-range terms we want to improve a functional combination between the air attack and air defense CPs, the so-called "Tactical Control Level"--the Allied Tactical Operation Centers and Sector Operation Centers--in other words, the echelon which is responsible for planning the execution of operations.

WT: I occasionally get the impression that the Air Force has headquarters units, supporting offices, and staffs which are, shall we say, somewhat over-staffed--this, of all things, against the background of the manpower shortage

to be expected during the next several years. Is any thought being given to reviewing the Air Force's organizational structure also from this angle? Or is it true what they say frequently in this connection, that is, that we only need regimental headquarters to have slots for colonels?

Lieutenant General Eimler: The introduction of new weapon systems in the air defense sector, which we have already touched on and which will come during the next several years, includes considerable task increases and management requirements for the headquarters and supporting offices, without any additional personnel being available for that. In other words, personnel for these assignments can be made available only through the reshuffling and transfer of duty stations and activities within the Air Force--and it is very important to realize that.

This is where we must constantly examine very carefully which tasks must be given priority for operational reasons and whether tasks currently carried out for this purpose can be reduced so that the quality of mission accomplishment will not suffer and so that personnel will not be overworked.

As part of the adjustment of its organization to changes in the mission situation, the Air Force therefore over the past 2 years carried out a comprehensive study of its organizational structure. All higher headquarters and Air Force headquarters were checked for their effectiveness within the framework of the Air Force command structure and possibilities for manpower savings were investigated.

Where possible, the organization was tightened up, mission accomplishment was improved, and the necessary personnel assignments were revised according to a strict criterion.

The Air Force command organization therefore may be described as having been thoroughly rationalized and as being efficient with only 5 percent of all Air Force personnel assigned to headquarters and staffs. Its structure, with its technical command character, proved itself on the whole.

Besides, we must not forget that the efficient accomplishment of our current task is endangered if we were now to undertake a thorough reorganization. Any reorganization first of all implies a loss of efficiency for a certain span of time. But we cannot afford to lose time.

WT: The West is stepping up the development of weapons to hit airfields as part of the counter-air mission or in some cases these weapons are already in procurement. Since it is to be assumed that the Warsaw Pact is thinking along similar lines, the USAF is now also thinking much more in terms of requiring an STOL and VTOL capability for combat aircraft to be newly developed. This is the only way, it is argued, that one can guarantee survivability after enemy strikes because they can also operate from unimproved fields. Is this demanded V/STOL capability particularly important for the West German Air Force--in spite of all handicaps--for example, reduced weapon payload and increased engine performance--particularly since the airfields are located in a heavily threatened zone?

Lieutenant General Eimler: The threat to our own bases from counter-air strikes by the Warsaw Pact Air forces is a basic problem in the conduct of air warfare and the employment of residual or salvaged runways with a length of 2,000 feet in this connection was an essential requirement for "Tornado" during the late 1960's and this finally contributed to the design of "Tornado" with variable geometry.

The concept of enhancing survivability was developed decisively for the Fighter for the 1990's and was blended into these requirements so that the JF-90 [Fighter Aircraft for the 1990's] will in the future be able to use considerably more airfields in the FRG in case of war than had been true until now. It will take a tremendous effort on the part of the Warsaw Pact to knock out all usable fields simultaneously and permanently.

V/STOL characteristics therefore are a firm part of the requirements for future aircraft. These capabilities represent a reasonable compromise before we get into the technically, tactically, and logistically problematical and financially expensive VTOL technology. I consider the STOL concept to be a priority matter because it is affordable and practical.

WT: The systems to be considered for target protection have ranges between 2 and 8 kilometers. Is this enough for a future air threat during the 1990's, especially since these systems are then supposed to remain operational for another 10-15 years? Would it not be more practical to introduce a simple, low-cost system now and directly to start developing a system with a greater range, either an entirely new system or a system based for example on the AMRAAM missile which after all belongs to the ASRAAM/AMRAAM air-to-air weapon family? [AMRAAM -- advanced medium-range air-to-air missile; ASRAAM -- advanced short-range air-to-air missile]

Lieutenant General Eimler: The biggest air threat during the 1990's will continued to be the manned aircraft whose development however will be characterized by definite performance increases. Of course, we can also increasingly look forward to high-performance guided missile systems designed for special operational missions. We must pay special attention to this additional threat in developing new AA defense systems.

With the introduction of the "Roland" weapon system it would seem that the Air Force will have a target protection system which is capable of countering the threat for the 1990's. "Roland" is a mature weapon system which has proved itself already for several years in the French and German army and which has been and is still being continually developed since it first came out in the 1970's. The performances of "Roland" are undisputed. Its employment in our combined air defense system appears to me to be entirely reasonably priced and if necessary also capable of further improvement, considering its fire power and its effective radius--and it is available now!

But at the same time we are also thinking of developing the weapon system which you mentioned and which, by the end of the 1990's is to be able to perform the mission of "Hawk" for area protection and of "Roland" for individual target protection. We are starting with the concept phase for an

"Medium AA System (MFS)" 1984. Our concepts call for a mobile system with high fire power and troublefree operation which will meet the threat from manned and unmanned aircraft and which will have a high degree of survivability. But we will not be able to carry out a program of this magnitude all by ourselves and we are therefore striving for cooperation in the European context.

WT: Recently, target protection has almost become a constant topic of conversation in the Air Force. People are having high hopes for German-American agreement on "Patriot/Roland." What are the fundable alternatives to "Roland" and which ones would you prefer if there is no trans-Atlantic agreement?

Lieutenant General Eimler: As you know, we have since the beginning of the year been negotiating with our American Alliance partner in order to facilitate, in addition to an economically justifiable type of procurement of the "Patriot" AA missile system in the United States, also the procurement of "Roland" for our airfields in the FRG. "Roland" was chosen because it best accomplishes the mission of target protection among the available weapon systems.

I assume--and I am rather optimistic--that negotiations with the United States will lead to a mutually tolerable result and thus to substantial performance increases in our West German air defense both as regards area protection with the help of "Patriot" and specific point-target protection with the help of "Roland."

Of course, considerable thought is being given to alternatives--if negotiations with the United States should really and contrary to expectations not produce a result--but so far we have no alternative that would give us the same efficiency.

WT: What alternatives might for example be conceivable?

Lieutenant General Eimler: One alternative might perhaps be to push ahead with aircraft development to boost the operational flying component of air defense. Or we might think in terms of further improvements in "Hawk," perhaps with support from several "Roland." But all alternatives--and this is something I would like to underscore once again--have their shortcomings regarding effectiveness. There would seem to be no serious alternative to our planned mix of the Fighter for the 1990's "Patriot," "Hawk," and "Roland."

WT: Regarding "Patriot," there is always talk of 24 firing units or batteries, in other words, the same number as in the now obsolete "Nike" system. Do we really need that many batteries? Are not combat aircraft no longer being replaced at a ratio of 1:1 for many years now?

Lieutenant General Eimler: It is not true that the numerical reduction in our flying systems is based on a threat analysis which showed that we can get along with less. On the contrary--the smaller number instead sprang from the available budget funds. Because the threat has grown and has become more effective--here you might think of the much more efficient aircraft of the Warsaw Pact--we once again have an instrument in the form of the "Patriot" with the previously mentioned number of batteries and through improved combat command, which

"Patriot" has by virtue of its multiple target engagement capability and higher mobility, which is precisely tailored to the threat. We still use the planning figure of 24 firing units as basis. This is what we need to achieve a certain multiple cover through redundancy.

WT: You gave the TKF [tactical combat aircraft] the new designation: "Fighter Aircraft 90" [Fighter for the 1990's]. How far did a planning and decision-making process for this new aircraft progress in the Air Force? Do you already have a tactical requirement? Has it been approved by all competent authorities? Where are you placing your emphasis in this future major program?

Lieutenant General Eimler: The concept of the TKF 90 (Tactical Combat Aircraft 90) was a working concept and represents a direct translation of the term TCA (Tactical Combat Aircraft) originally used in the IEPG working group.

The Air Force did not at any time allow any doubt to arise that we mean a fighter aircraft for air defense by the term TCA/TKF. It is my view that the primary missions of this weapons system in the West German Air Force will also have to be expressed quite clearly in the name we give to it. The concept of "Fighter for the 1990's" therefore is clearer and more accurate. It also clearly shows that air defense is the future main point in Air Force planning.

We are still working on the tactical requirement and the coordination process and the policy decision will follow after that.

WT: Let me ask two more questions on the fighter aircraft which spring from your answer: Are you dropping the air-to-ground capability requirement and to what extent did your conversations progress with other European air forces on the JF 90 topic?

Lieutenant General Eimler: The primary role of the Fighter for the 1990's will quite definitely be pursuit; in addition there will continue to be a secondary role involving air-to-ground sorties with a rather restricted spectrum.

The coordination process with the air forces of Great Britain, France, Italy, and Spain is still underway and I hope that we will have arrived at common concepts by the end of the year, at the very latest, during the first few weeks of next year, so that the tactical requirement would also appear to have been coordinated by then. After that, the inspector-general, as the chief planner of the minister, must fit the project into his planning process so that the minister--and he left no doubt about that--will announce his decision by the end of the first half of 1984 in order then to go to Parliament with the program.

WT: So, for air attack, in other words, air-to-surface operations, we now have "Alpha Jet" and "Tornado," while for air defense we are planning on "Patriot" and the Fighter for the 1990's. Now, what about our reconnaissance capacity? What are your ideas on that? What are the technical possibilities here? To what extent are you considering reconnaissance by means of satellite?

Lieutenant General Eimler: The Air Force's reconnaissance capability must early be harmonized with the changes in the threat and with the capabilities of the new weapon systems. Besides, the Air Force must, in carrying out its reconnaissance missions, respond to the growing demands from the top political and military leadership--both national and within the Alliance.

In addition to continuing defect correction through individual measures, the Air Force is pursuing three main lines of effort regarding reconnaissance:

Combination of reconnaissance sensors and information sources with the objective of central analysis;

Improvement of survivability and range of ground-based sensors;

Long-term replacement of the reconnaissance capacity available in the form of RF-4.

But all of this constitutes a complex of topics which I could hardly discuss in public. This much I can say today:

We have a comprehensive planning approach for the Air Force reconnaissance system;

We are not pressed for time everywhere and we therefore need not as yet commit ourselves in every detail;

Essential parts for the continuation of the development of the reconnaissance system are in an advanced implementation phase or have been adequately included in our planning at least in medium-range terms;

Of course, we still have to make decisions on large parts of the entire package--and they are being prepared at this time.

The Air Force so far has not been trying to get into the satellite business. The mission and the interests of the Air Force give priority to the investment of our tight funds in other reconnaissance instruments.

Air Force Statistics

At the end of September, Air Force Inspector-General Lt Gen Eberhard Eimler presented a large-format brochure to the Defense Committee on the occasion of his briefing on the situation of the Air Force. WT reported on this already in the November 1983 issue. Here are some additional interesting statistics from this brochure:

The personnel strength of the Air Force at this time is 110,000, including 12,500 officers, 40,000 NCOs, and 57,500 enlisted men. Or, in other words, 17 percent are regulars, 46 percent are extended-service personnel or 2-year personnel, and 37 percent are draftees putting in their basic military training. Military personnel are supported by 24,000 civilian employees.

The Air Force annually spends about DM 560 million for repair and expenditure for spare parts went up above all because of the change in the rate of exchange between the DM and the Dollar from about DM400 million in 1979 to DM616 million in 1982.

In the area of the Baltic Sea approaches, the Air Force provides 40 percent of the combat aircraft assigned there, while in the sector of Central Europe the figure is 30 percent of the combat aircraft, 40 percent of the ground-to-ground missiles, 45 percent of the AA missile units, and 60 percent of the aircraft control and reporting stations and the low-level aircraft reporting service.

The following are available for this:

Four squadrons of RF-4E reconnaissance aircraft;

Eight squadrons of F-4F fighters and fighter-bombers;

Nine squadrons of F-104G fighter-bombers and "Tornado" fighter-bombers;

Seven squadrons of "Alpha Jet" fighter-bombers;

Eight squadrons of Pershing IA ground-to-ground missiles;

24 batteries of "Nike-Hercules" AA missiles;

36 "Improved Hawk" AA missile batteries;

13 command CPs;

48 radar teams;

Four squadrons of C-160 transport aircraft;

Five squadrons of UH-1D transport helicopters.

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UPDATE ON ASPECTS OF AIR DEFENSE CORVETTE PROGRAM

Paris COLS BLEUS in French 31 Mar 84 pp 4-7

[Article by Chief Ordnance Engineer Grouas and Commander Godard: "The Anti-aircraft Corvette"]

[Text] Already in 1972, the long-range naval plan was contemplating the construction of an anti-aircraft corvette of the C70 family, to be started before 1985.

At the time, the Navy owned seven anti-aircraft ships: four Tartar fleet escort ships: the "Bouvet," "Kersaint," "Dupetit-Thouars" and "Du Chayla"; two guided-missile destroyers: the "Suffren" and "Duquesne"; and one cruiser, the "Colbert," the latter three ships being equipped with the Masurca system. The Tartar ships are scheduled to be retired from active service in the 1980's and the Masurca ships in the 1990's. They will have to be replaced by the anti-aircraft corvettes (AACs). Therefore, the long gestation period that must end with the acceptance of the first corvette for active service began over 10 years ago.

The Program Stages

This period can be broken down into roughly four stages--preliminary studies, project definition, engineering and construction studies, testing--during which the departments of the Navy and of the General Delegation for Ordnance (DGA), which includes the Technical Directorate of Naval Construction (DTCN), worked in close collaboration. Their activities were coordinated respectively by the program officer appointed by the Navy headquarters (EMM) and by a program director appointed by the DTCN. The anti-aircraft corvette program has now reached its third stage (engineering studies and construction), which started late in 1979 when the minister of defense decided to launch a four-ship program and to order the first two. Before that, during the first two stages, continuous consultations between the EMM, issuer of the military procurement request and future user on the one hand, and DTCN, designer, prime contractor and builder, on the other hand, had led to the preparation of two important documents:

- the military program written by EMM listed the ship's missions, determined what threats it should respond to, and defined the capacities it had to have to accomplish its missions in the environment contemplated;

- the overall specifications prepared by the Technical Service for Naval Construction and Ordnance (STCAN) described the project adopted to meet the requirements of the military program accurately enough to enable the DCAN (Directorate of Naval Construction and Ordnance) of the building port to undertake the engineering studies to be supplied to the shipbuilding yard. Detailed specifications for each system used then complemented this information.

The Ship's Mission

The main mission of the antiaircraft corvette is to engage into antiaircraft zone combat on behalf of a naval airforce disposition consisting of a small number of warships including an aircraft carrier and possibly merchant ships. The corvette must be able to protect all friendly elements in its zone of responsibility from any airborne threat (airplanes and missiles).

The project adopted to accomplish this mission consists of a platform (hull, power, propulsion, etc.) and weapon systems. To achieve savings and to get the benefit of a series effect, it was required from the start of the program that the platform installations should retain as many features of the anti-submarine corvettes of the "Georges Leygues" type as possible. Taking this limitation into account, various preliminary projects were considered and a final version arrived at.

Hull and Propulsion Equipment

The ship's hull is shaped like that of the "Georges Leygues" type corvettes. Apart from the fact that volumes in the central part (propulsion zone) were redistributed, this is also true of the high-strength steelwork. The main innovation is the generalized use of light aluminum-base alloys for the superstructures: the study took into account what had been done in this respect on warships and what had been learned from the history of the past few years. Special attention was given to fire and corrosion resistance and full-scale tests led to the adoption of very effective provisions in this field. The steel bridge and the superstructures are connected by welding on an intermediate bimetal element obtained by coextrusion.

The hull installations and the electrical equipment are identical to those of the "Georges Leygues" type corvettes. The antiaircraft corvette possesses a hangar and installations that make it possible to use a helicopter of the four-ton class (WG-13 Lynx).

Propulsion is entirely provided by Diesel engines, contrary to what is the case on antisubmarine corvettes (CODOG [expansion unknown] propulsion). Actually, the good results obtained in the development of low-compression rate (BTC) Diesel engines have opened new prospects for a 100-percent Diesel mode of propulsion. In addition, preliminary studies have shown that, on a type C70 corvette hull, it is very difficult to achieve a satisfactory layout of the many components of the antiaircraft corvette that would be compatible with the existence of large air and exhaust gas conduits required by the CODOG propulsion. These two reasons, among others, have been the cause of a partial

revision of the principle of identity with the antisubmarine corvette which had been adopted at the start. The propulsion apparatus, therefore, consists of four Semt-Pielstick type 18-PA-6 BTC engines with a power of 7,940 kW each, driving two fixed-blade propellers.

Weapon Systems

The weapon systems of the anti-aircraft corvette are obviously different from those of the antisubmarine corvettes.

The principal combat means required to carry out the ship's missions are gathered around a SENIT-6 data-processing system. This system includes computers, displays and conversion and distribution organs organized as a federation of subsystems dedicated to each of the main functions: watch, electronic warfare, weapons, etc. With this organization, it became possible to achieve the revised dynamic configuration required by the Navy headquarters, and it was also easier to design, develop and expand the system.

The zone defense and anti-aircraft self-defense are based:

- on the use of a watch system developed around the two-dimension DRBV-26 radar, the three-dimension electronic scan DRBJ-11-B radar, and the infrared Vampir watch system for enemy detection and target identification.

- on the Tartar weapon system and on anti-aircraft self-defense systems (100-mm guns, very-short-range Sadral weapon systems) for target destruction. The Sadral system (close-range light anti-aircraft self-defense system) was developed by MATRA [Mechanics, Aviation and Traction Company]; it consists of a light carriage designed by CSEE [Electrical Projects and Signals Company], six Mistral STACP [expansion unknown] (self-directing infrared) missiles and optronic (television and infrared) sensors. The Mistral combined-operation missile will be placed in service in 1986-1987. It is 1.80 m long and has a diameter of 0.09 m; it weighs 17 kg and has a military load of 3 kg. It can counter aircraft or attacking missile evasions and operate at very low altitude (3 m). A nearby bunker makes it possible to reload the system rapidly.

- on the electronic warfare system to neutralize attacking aircraft or missiles.

The definition of the Tartar system selected reflects the modernization level of the Tartar system adopted by the U.S. Navy to modernize its destroyers.

The 100-mm weapon system includes considerable innovations that improve its antimissile capabilities. These involve the turret (improved firing rate), the missile, software and firing control (Doppler-technology radar, combination of infrared, optronic and Doppler sensors). Surface combat is ensured jointly by an MM-40 system of the Exocet family and by the 100-mm gun system.

The secondary 20-mm guns are used for police missions and for self-defense at anchor.

Self-defense against submarine threats is provided by an active bulb sonar and an independent torpedo firing system. Self-protection against torpedoes is ensured by a decoy system. Later on, these means will be complemented by a passive very-low-frequency listening system. The ship is provided with a series of transmission means connecting it with the naval forces it is accompanying and with land authorities. This system includes a satellite telecommunication station.

The weapon, watch, electronic warfare and automated data-transmission systems are integrated into the SENIT-6 data-processing system.

The result is a "combat system" that is automated enough and whose response times have been reduced enough to enable it to accomplish its antiaircraft operational missions.

The Industrial Stage

The antiaircraft corvette program has now reached its industrial stage. The first corvette is being assembled and is scheduled to be tested at sea late in 1986. The Lorient DCAN was chosen to be the industrial prime contractor for the program as a whole, the Port of Lorient being in charge of fitting out the ship.

The Brest DCAN is involved in all engineering studies and acts as a specialized prime contractor for the Tartar system, as it has acquired considerable experience of that system by maintaining missile-launching fleet escort ships.

The Indret yard is acting as industrial prime contractor for the propulsion system, according to traditional methods.

As in the case of all ships built under the responsibility of the DTCN, the procurement of weapons and equipment is the responsibility of the STCAN in Paris which, however, is assisted by the Brest DCAN for the Tartar system.

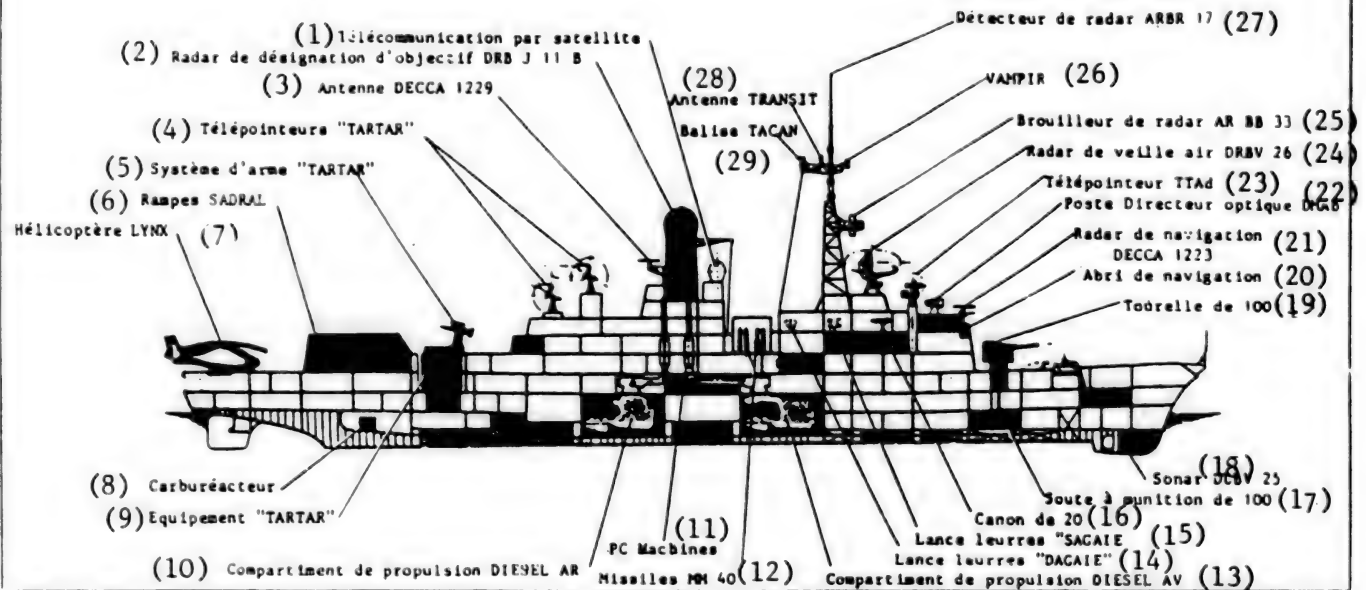
The industrial impact of the antiaircraft corvette program is considerable and deserves detailed consideration: as a manufacturer, the DTCN acts as prime contractor for all studies and manufacturing, hull construction, the integration of the propulsion apparatus, the construction of certain components (guns, torpedoes, etc.) and the overall assembly of the ship.

Development studies represent over 1 million hours.

The construction of each antiaircraft corvette represents an average workload of some 2.5 million production hours, corresponding to an annual average of 400 people employed for 7 years at the DTCN.

In addition, as far as the French industry as a whole is concerned (dockyards excepted), the development and construction program of the four corvettes will provide on the average 10 years of work for 1,000 people employed mainly in the electronic and data-processing industries, in mechanical and electrical engineering and in the aerospace industry.

CORVETTE ANTIAÉRIENNE



Antiaircraft Corvette

Key:

1. Satellite telecommunications
2. DRBJ-11-B target identification radar
3. Decca 1229 antenna
4. Tartar telepointer
5. Tartar weapon system
6. Sadral ramp
7. Lynx helicopter
8. Jet engine fuel
9. Tartar equipment
10. Rear Diesel propulsion compartment
11. Machinery control station
12. MM-40 missiles
13. Forward Diesel propulsion compartment
14. Dagaie decoy-launcher
15. Sagaie decoy-launcher
16. 20-mm gun
17. 100-mm munition bunker
18. DUBV-25 sonar
19. 100-mm gun turret
20. Navigation shelter
21. Decca 1223 navigation radar
22. DMAb optical director station
23. TTAd telepointer
24. DRBV-26 air watch radar
25. AR-BB-33 radar jammer
26. Vampir
27. ARBR-17 radar detector
28. Transit antenna
29. Tacan beacon

Antiaircraft Corvettes - Main Characteristics

Length between perpendiculars	129 m
Overall length.	139 m
Maximum water-line width.	14 m
Mean test displacement.	4,000 t
Diesel propulsion	4 x 18 PA 6 BTC (31; 760 MW)
Maximum speed	29.6 knots
Range	8,000 miles at 17 knots 4,800 miles at 24 knots
Supplies autonomy	30 days
Housing capacity.251 people
Ligh-alloy superstructures	
Digital internal transmission system	

Watch system:

- DRBV-26 radar
- DRBJ-11-B radar
- Vampir (infrared watch)
- ARBR-17 radar detector
- DUBA-25 sonar

Electronic warfare:

- ARBB-33 jammer
- Sagaie and Dagaie decoy-launching systems

Data-processing:

- six 15-M-125-X pooled computers
- 12 displays
- 2 tactical situation tables

Navigation: 2 Minicin inertial navigation control rooms

Weapons:

- Tartar medium-range surface-to-air
- 100-mm and 2 x 20-mm gun systems
- 2 Sadral very-short-range ground-to-air systems
- 8 ~~MM~~-40
- 10 L5 torpedoes
- 1 WG-13 Lynx helicopter with its weapons - AS-12 missiles and MK-46 torpedoes.

9294

CSO: 3519/305

PAPER CRITICIZES LABOR ORGANIZATION'S ECONOMY PLAN

Helsinki HELSINGIN SANOMAT in Finnish 6 Apr 84 p 2

[Editorial: "Workers' Economic Research Institute's Remedies Poor"]

[Text] The improvement in the economy is accelerating here as elsewhere in the world. Production growth figures in Finland turned out to be better than expected last year and the year before. In fact, our country did not even feel the last recession, which halted the growth of production for a year or even brought about a decline in many countries. Nevertheless, economic growth for the current year in Finland is clearly greater than the West European level.

Recent growth figures fluctuate from the 3.5 percent of the Finance Ministry's Economic Section to the full 5 percent of Workers' Economic Research Institute (TTT). The credibility of forecasted growth in overall production is further increased by the fact that there is a simultaneous deceleration of the inflation rate, unemployment is on the decline, and even otherwise the economic balance is improving. And the danger of an overheating of the economy is not yet apparent.

On the other hand, there is no certainty about how long this improvement will last. Generally, it is expected that it will be short this time. Nevertheless, it is valid to consider that this upturn will restrain the use of economic policy measures so that opportunities presented by this upturn will not be used in a manner that will worsen a future recession. The price of this upturn has already been paid, above all, as the swollen deficit of the state economy.

TTT offers additional revaluations of the markka for restraining inflation as well as a 2-percent decrease in the interest rate as economic remedies. The round of negotiations regarding income policy is not yet, however, over and neither side is giving in. Even the development of the competitive ability of production is uncertain and a reduction of the interest rate, for its part, will increase the danger of inflation resulting from increased demand.

The attempt to explain why the TTT wants to limit the income development of business and to increase consumer demand is appealing to its own background

groups. However, the proposals have not been given sufficient consideration even from this point of view. Unemployment is easily increased by placing burdens on industry's competitive and investment capacity. The minus effect of the real interest on savings, for its part, places a burden on small savers, in particular, who have not received an actual income from their money for several years.

An additional revaluation of the markka as well as a reduction of the nominal interest can at some point be valid. Now is not the right time to adopt either measure.

10576

CS0: 3617/136

NEW FORECAST FROM BANK SEES GNP GROWTH AT FOUR PERCENT

Helsinki HELSINGIN SANOMAT in Finnish 6 Apr 84 p 35

[Article: "Economic Report Predicts Four-Percent Growth"]

[Text] The economy will continue to become stronger during the current year and overall production will increase by 4 percent over last year, predicts the most recent economic report of United Bank. Inasmuch as exports and investments develop in the anticipated manner, the employment situation will improve slightly during the current year and the unemployment rate will decrease to 5.5 percent according to Unitas.

The amount of exports will probably increase by 5 percent this year, which will correspond to the quantitative growth of world trade. The estimate is based on a 10-percent growth of forest industry exports, for which market developments will provide opportunities, states the report. However, the report contains a warning that a shortage of timber could seriously hinder production.

Since the export prospects of the metal industry and in part of the consumer goods industry to the West are improving, the situation gives the impression of being rather favorable on the whole according to United Bank. On the other hand, exports to the East will most likely not increase before 1985.

The leading role of industry is seen in the economic report in the fact that the growth of industrial production is predicted to be 5 percent while overall production will increase 4 percent. At the same time imports, however, will begin to grow and it is predicted that they will increase 6 percent over last year.

The United Bank predicts that the balance-of-trade deficit will remain at 2 billion and the balance-of-payments deficit will remain at 5 billion markkaa. It is estimated that the value of exports will increase 12 percent and the value of imports will increase 12--13 percent so that there will be no essential change in the balance-of-payments relationship.

Domestic demand will be brisk in the current year also according to the report. It can be expected that investments will increase by 6 percent and consumption by 2 percent.

The goal set for slowing down the inflation rate in the current year from the present 8 percent to 6 percent continues to be completely realistic. However, the world market prices for raw materials are rising and inflationary expectations in the world are becoming stronger. In this situation the accomplishment of this goal could even strengthen the competitive ability of exports, states the report.

10576

CSO: 3617/136

REACTION TO GOVERNMENT'S PRICE CONTROL POLICY

Link in 'Irrational' Policies

Stockholm DAGENS NYHETER in Swedish 13 Apr 84 p 2

[Editorial by Nils-Eric Sandberg: "Wages Rise, Prices Stand Still"]

[Text] There is an unavoidable connection between wages and prices for the simple reason that wage costs are normally the biggest expense for a business. Assume that wages in an economy rise so much that business has to compensate for them by raising prices. And assume that the government wants to stop this process. What would the logical step be?

The government did not ask itself this question or at least it did not consider the question relevant. Instead the government asked itself which step would be most popular. That is an entirely different matter. And that is why the government is now introducing a general price freeze and not a wage freeze.

All through the 1970's, politicians used price freezes and other kinds of price control. The experts on the Price Regulation Committee showed in 1981 that the price policy was meaningless--it had not checked inflation but had disturbed the use of resources instead. Lars Jonung supported these conclusions in a recent expanded analysis. Almost all the literature on price formation leads to the same result.

The politicians are undoubtedly very familiar with this information (with a few exceptions). But they play it down time after time.

The problem is that businesses and organizations learn quickly. When price freezes (or devaluations) are repeated often enough in certain situations, they anticipate the same thing the next time a similar situation occurs.

Repeated price freezes create uncertainty and make economic planning hard for businesses. And businesses protect themselves by slapping on extra increases when they have the opportunity. The rumor of a future price freeze has been circulating for quite some time in the private sector.

The government's decision to freeze prices may make some people happy--after all everybody wants to buy everything as cheaply as possible. It may also give the desired impression of "forceful action." But it will have no effect on the underlying cost pressure, it just makes it illegal to register the costs on price tags.

Of course the government wants to prevent price hikes from setting off a chain reaction via index clauses and earning guarantees. And this indexing is one of the reasons for the Swedish economy's built-in wage inflation. But it would be more logical to either freeze wages or legislate against the inclusion of indexing in contracts.

Now there are a number of important objections to political intervention in setting wages. The experiences from England's attempt at an "income policy" should be alarming enough for other countries. When politicians intervene they remove the responsibility for wages from the organizations and businesses. After the intervention, the market forces are free in principle to sign any contract they want to. And to return the responsibility to these forces and make them take the consequences, the politicians may have to provide drastic examples--bankruptcies, unemployment.

It was pedagogically correct of the government to establish an inflation norm. It was necessary, but obviously it was not enough. For the norm to be effective the government should have also set norms early on for several other logical steps in economic policy. For example: some limit to the increase of the currency supply in the long term, a gradual elimination of industrial support and a binding pledge not to save organizations and businesses from the consequences of their contracts through devaluation or extra funding for AMS [National Labor Market Board].

The problem, of course, is to make such a declaration believable. After all, the organizations and the business sector are used to one-time devaluations.

A firm price freeze could have a similarly educational function for labor organizations.

Prices will have a free rein at the end of 1984 and the beginning of 1985. This means that the inflationary pressures of 1984 will have an impact almost entirely in 1985. To this can be added the inflationary pressure of a permanent budget deficit. But in 1985 the inflation rate will be lowered to 3 percent, the government says now. Who believes that, except in the line of duty?

The government also wants to check wage drift by forcing businesses and municipalities to make liquidity deposits (6 and 3 percent of total wages respectively) in the National Bank. This may work against the municipalities, which are responsible for more than 75 percent of public employment. But businesses should be able to pay for wage drift in order to obtain the

relatively higher wages in industry that are called for by economic strategy. Permission for businesses to take out money for "productive investments" inevitably involves an element of arbitrariness and control.

For a long time the economic policy playing rules for business have been changed constantly in an irrational and unsystematic way. In this perspective the new "liquidity positions" are a suitable move.

Opposition May Block Policy

Stockholm DAGENS NYHETER in Swedish 15 Apr 84 p 4

[Commentary by Bo A. Ericsson]

[Text] They are now playing for high stakes at Rosenbad, the government headquarters. With a super package intended to curb inflation, the government is challenging both the employers and the unions. In the middle of the battle stands Kjell-Olof Feldt, an "energetic firebrand."

One thing seems certain: Kjell-Olof Feldt will never go to Australia again--at least not as long as he is finance minister.

For it was while he was there, sunning himself on the other side of the world, that the so-called deceivers here at home secretly prepared their famous bombshell and the contract negotiations went off the rails, from the government's point of view.

But now the government, with Feldt as its angry driving force, has struck back and prepared a super package that is regarded as being one of the toughest a Social Democratic government has come up with in ages.

A shudder will run through the nation when it is made public, a government source predicted with flashing eyes.

At any rate there was a loud outcry and a storm of criticism. For the package the government presented was a shock. In practice it included the following:

A kind of state of economic emergency has been introduced with not only price and rent freezes but also a freeze on higher stock distributions, among other things.

A brake has been put on wage drift (primarily applied locally) by collecting billions of kronor from companies and municipalities for special funds.

A new model for labor negotiations is called for while at the same time the sides are being pressured to "rearrange" the agreements reached for next

year which contain wide differences, a variety of guarantees and often high levels.

A door has been opened for a shift of control over wages--from the employers and the unions to the state authorities, in other words a trial step toward a new situation in income formation with increased state control, an income policy.

It is the intervention in contract negotiations and the consequences this can have that are regarded as perhaps the most important part of the package.

By approaching this sacred ground, the right to negotiate freely, the government is simultaneously challenging both the employers and the unions. They are being given really low marks for their actions so far during the negotiations and now in practice they seem to be confronting two alternatives:

1. Either they can assume responsibility and straighten things up, in the view of the government, put a ceiling on wage increases next year so the inflation goal (3 percent) can be held, and do something about the splitting up of contract periods, the bouquet of guarantees and clauses and outline a new model for negotiations.

2. Otherwise the government will be forced to take direct measures.

The key words here are "cooperation" and "voluntary action," in line with the traditional Swedish model, it should be pointed out. But behind his back Feldt is believed to be hiding a stick.

The reaction to these perspectives and the government's outlining of its position was strong. For once, LO [Swedish Federation of Trade Unions] chairman Stig Malm and SAF [Swedish Confederation of Employers] chief Olof Ljunggren spoke as one when they sharply rejected the state income policy.

Other union leaders made such comments as, "Never! Outlandish!"

At the same time there were some self-critical elements in the LO reaction and Malm hinted that perhaps it was time to pull the movement together.

Apparently the same attitude can also be found among broad Social Democratic ranks. No one is served by division and drastic actions.

Return?

If there is a return to some form of coordinated central negotiation, LO will have another chance to play a leading role. This would be a setback for the employers, who would rather continue to conduct wage negotiations all the way down to the level of the individual firm.

The consultations between employers and unions concerning a new model that will now take place will determine what happens. On 6 June they will meet with the government again. Then they will have the answer.

But there are many questions:

If, contrary to expectations, the labor factions are unable to agree on a different system on their own, is the government prepared to tear up the contracts and clauses that it believes would fuel inflation in 1985? This kind of operation might be necessary if a return to a coordinated settlement is desired.

In this case, what forcible measures is the government considering to bring this about and how far are they prepared to go?

Can compulsory measures gain support in parliament?

What would the internal consequences be for the labor movement if the political branch cracks down on the union branch?

If the government cannot handle the test of strength with the labor market factions on which it has embarked, it will be in an extremely poor position.

At the same time one cannot mistake the message Palme and Feldt have now issued: this is serious. The government that is ultimately responsible for economic policy. It does not intend to allow this move to fail.

Standing Behind Package

And Kjell-Olof Feldt at least has stated openly that he is not prepared to administer a collapsing economy.

This can hardly mean anything but that he--and perhaps the entire government--is ready to stand and fall with the super package.

If inflation cannot be checked--and it looks especially critical with regard to 1985--unemployment will start to rise again and will probably reach new record heights. Then there will be no Social Democratic victory in the election next fall.

It is not really any surprise that the contract negotiations have had such a dramatic last act. As early as last fall Olof Palme said that if the outcome of the wage negotiations was incompatible with the inflation target, the government would have to intervene.

At the same time several economists predicted that things would go precisely the way they did. The only question was whether the government would be forced to step in during the negotiations or afterwards with corrective measures. Otherwise a new devaluation would be necessary.

Voices have also been raised in the debate in favor of increased state control of wage negotiations in the future, for example by having the government and the top organizations of the sides agree on limits to which the unions would later have to adhere.

Some politicians advanced similar arguments in early talks on the negotiations. Nils G. Asling of the Center Party was one of them. He said he was very attracted by the model used in Austria which has clear elements of a social contract.

The debate is now intensifying about all of this--the role of the organizations and the state authorities in contract talks, the right to negotiate freely, the link between wages and jobs and the question of responsibility.

At the same time the negotiations continue with a threatened strike in the weeks ahead, among other things.

Feldt in the Thick of Things

In the middle of all this fuss and commotion stands Kjell-Olof Feldt, the chief architect of the package.

Feldt started out this week in a way that made some people suspect that he is now on the warpath. That was when he reportedly said this:

"A group of deceivers has prepared a bomb. If one of the links in the negotiations should break, the bomb will explode. Everything will be blown sky-high. Including the deceivers."

Cabinet ministers do not usually talk like that in public, not even in jest (although Feldt has a certain history of making shocking statements; one recalls his poem about wage-earner funds, for instance).

But Swedish Social Democratic finance ministers are not usually "ordinary" cabinet ministers, so Feldt is no exception on that point. Some people describe him as a mixture of J. R. in "Dallas" and Emil in "Lonneberga," others call him an energetic firebrand (a union chairman with some envy in his voice).

But everyone respects him and agrees that he is a very clever man. He is as smart as a poodle, Tage Erlander said back in 1962.

Assorted Traits

If one wants to supplement this picture with an assortment of lighter touches, he is the finance minister:

who became a Latin student and national economist, even thought for a while he wanted to be a forester;

who once got a blow to the jaw from a heavyweight boxer that caused him to eat yogurt for a whole week;

who prefers to read detective stories he has already read once because then he knows what is going to happen, the important thing being to be prepared;

who is not interested in poetry despite the fact that he sometimes indulges in rhyme himself, as we mentioned;

who has a wife who runs in marathons and whom he also hired as one of his closest staff members;

who gets no dessert at home unless he promises to go jogging afterward;

who likes to pick up an iron when Friday comes around.

6578

CSO: 3650/172

MUMCU TAKES DIM VIEW OF TURKISH LIBERALISM

Istanbul CUMHURİYET in Turkish 12 Apr 84 pp 1,11

["Observation" column by Ugur Mumcu: "Liberal in Hiking Prices"]

[Text] The spate of price hikes is continuing with full strength. Price hikes have been announced in all goods and services that come to mind, everything from fuel to cement, from cement to bread and from bread to newsprint. Each hike is in turn passed on to some other product or service. The string of price hikes thus forms a tight ring around low income groups.

Hands get shaky when workers' wages are raised, a thousand words are said when the minimum wage issue is discussed, but when it is time for price increases full liberalism takes effect.

Liberalism does not apply to farmers' produce: their produce cannot be sold freely on the market, and the government sets the floor prices. No bargaining is allowed on this issue.

The same system applies to workers' wages. The collective bargaining system has been tied to very restrictive regulations. The capitalist can market his money and employment opportunities as he wishes, but the worker is deprived of the chance to market his labor with as much freedom.

Public servants are in an even worse position. They have neither unions nor any organization. Public servants' salaries hinge on government decisions. The public servant does not have the means to raise his salary through collective bargaining.

Liberalism is not at all applied on such issues. When foreign capital is at issue, all bans and hurdles are removed. Liberalism is applied only to foreign capital.

The "free competition system" does not apply to firms either. Foreign trade is in the hands of 5 to 10 large and privileged corporations. Some of these firms have strong ties with the Motherland Party. For example, former State Planning Organization Undersecretary Yildirim Akturk is currently a top executive in ENKA Holding. Foreign Minister Halefoglu's son is the export director of the same firm. The "superministerial undersecretary", Ekrem Pakdemirli, is a former consultant of IZDAS of Izmir, one of these 17 firms.

ENKA Holding is also a partner in the companies of well-known writers on Cagaloglu Street.

In the new export system, a selection has been made among firms; the "free competition" rule has been openly abandoned in foreign trade. Rather than establishing a "free competition system", doors have been opened to implementations that may lead to "monopolism" among firms with capital. A system which may ruin small companies and which may drive medium-size firms to bankruptcy has begun to be implemented step by step.

"Turkish-style liberalism" has moved toward building an oligarchic structure which will strengthen 5 to 10 export companies with government support.

Liberalism does not apply to the worker, the farmer or the small company. The system they have frequently praised as "market economy" has badly degenerated in the course of electioneering; local elections were held earlier, price hikes were put off to after the elections.

The shantytown people who were raised to dream worlds by promises of "title deed assignment certificates" are now shocked by post-election price hikes.

These are the same people who turned back "Chiquita" bananas for fear of hurting the banana producers. These are the same people who refused to import British tea out of concern that the tea producers might object. When it comes to talking, these are also the same people who condemn "protectionism" as if it were a horrifying torture method from ancient times.

As for "political liberalism", that is completely out of the question. Ozal and his supporters, who have been presenting the monopolistic structure of 5 to 10 firms as a "free competition system", are now raising prices one after the other and ruining the "mainmast" so that it may never stand up again.

The system that ruined banks and holding companies is now on its way to completely ruining the mainmast.

We would like to present this picture, with respect and concern, to our well-versed former Marxists on Cagaloglu Street who have been trying to present the monopolistic structure of 5 to 10 firms as "true liberalism" as well as to our "holding professors" with doctorates from abroad and "all Moslems."

9588

CSO: 3554/205

OZAL ADVISED TO ADOPT MORE CIRCUMSPECT ECONOMIC POLICY

Istanbul MILLIYET in Turkish 12 Apr 84 p 1

["Today" column by Mehmet Barlas: "What Ozal Forgets"]

[Text] The latest price hikes have pushed low and fixed income social groups into a very difficult position in a society where wages rise with difficulty. It is hard to explain to the people that the purpose of these price hikes is to curb inflation--that is to keep prices from rising.

Raising prices in order to keep prices from rising does not seem to be too consistent at first glance.

Prime Minister Ozal himself must explain to the people the rationale of this string of price hikes which have led to a social demoralization. Air time allocated by law to the government on the Turkish radio and television must be used to elaborate on this issue.

Also, certain postures related to public relations must be reviewed.

For example, it was wrong to publicize the Prime Minister's weekend banquets immediately after the days price hikes were announced one after the other. The leader of an economic salvation model that is based on the sacrifices of low and fixed income groups must appear to be making the same sacrifices in his own lifestyle.

Similarly, indications giving the impression that this model has no social virtues must be rectified.

In education, for example, we expect as part of the success of this model that the standards of all public high schools are raised to the same level as those of private schools and Anatolian schools. However, it appears from official statements that the government is planning to turn Anatolian schools, which are already very few in number, into private schools.

The goal in education must be to increase throughput and quality and thus to boost productivity and not selling out everything. When Anatolian schools become private schools, will all the students who pass the examinations be able to have a place?

What takes skill is increasing the quantity and the variety of the item to be sold and not selling what is scarce.

The question of how to stop the price hikes aimed at stabilizing prices evidently remains open.

Are economic rationalization measures being taken in public corporations which produce the goods and services covered by the latest price hikes? Will not these price hikes coupled with cost increases resulting from foreign exchange differentials on imports and special funds set up for imports lead to further cost and price increases?

We must also state that the "housing fund" has become an increasingly unjust "indirect tax." Perhaps if this fund functions properly the housing problem will eventually be resolved. But, on the other hand, excessive indirect taxes will have an inflationary effect on the economy.

Lastly, the government that is guiding the economy with price hikes and monetary policies must not forget the improvements needed in juridicial, educational and social areas as part of the "civilianization" process.

We want Ozal to succeed. We want him to succeed because we know what alternatives failure offers. However, the Prime Minister must perform his work not by simply raising prices but by explaining them to the people, by acting carefully, by not forgetting social ramifications and by paying attention to political liberalization.

9588

CSO: 3554/204

COMMENT ON FINANCIAL MANAGEMENT DURING INFLATION

Istanbul DUNYA in Turkish 12 Apr 84 p 1

[Editorial: "Inflation Management"]

[Text] It is generally true that the rising trend in inflation continued in the January to March period of 1984.

The inflationary escalation is particularly evident in wholesale prices. Consumer prices, on the other hand, are dominated by a debatable uncertainty. Data compiled by the Undersecretariat of the Treasury and Foreign Trade indicates a rising trend. But the magnitude of the rise is small compared to wholesale prices.

Consumer price figures compiled by the State Statistics Institute, which should be considered to be more realistic since they were more recent, give the impression that the rising trend has at worst been stopped.

This difference in wholesale and consumer price indexes in 1984 shows that inflation today is primarily cost-driven. The pressure on domestic consumption and demand exerted through tight money policies has increased to the point where the country's nutrition balance may deteriorate even further. While this pressure has not been able to completely prevent the reflection of rising costs on retail prices, it has slowed it down.

From a capital accumulation perspective, the diagnosis of the situation is not positive. But what is happening does not run counter to the Ozal government's policy of "change of structure or ownership in industry." Partnership with foreign capital has emerged as the only way to insure growth. Keeping the value of the Turkish lira below what it should be has become an incentive for foreign capital partnership.

The inflationary trend also foreshadows important results with respect to the monetary policy that will "harden" in the second quarter of the year. Firstly, absorbing what is considered to be excess money on the market through inflation is now being implemented as a deliberate policy. The price hikes which have been announced by public corporations and which are considered to be "too much" by the public are channeling the money into public financing. No other way is known to reduce the public financing deficit to 3.5 percent of the national income as promised to the IMF.

The weak point of the monetary policy which is undergoing a virtual "test" in the second quarter of the year lies in the choice between "inflation and public financing." Figures for the first quarter of the year show that interest rates on bank deposits--which were allegedly made "real" in December 1983--have lagged behind inflation. When it is recalled that a large number of price adjustments were postponed to after the local elections in late March, one should not be too optimistic about "real" interest rates in the near future. Since these price hikes will be reflected by future price statistics, the continuation of the rising inflation trend is inevitable in April and May.

Since "real" interest rates and lower inflation cannot be expected in the near future, it seems that the structural changes in interest rates on bank deposits originally scheduled for 19 June 1984 will not be made. However, even if interest rates are not lowered, the extension of the high return paid on 3-month time deposits to include at least 6-month time deposits on the assumption that inflation will slow down later on is of critical importance to the Turkish banking sector and all the Turkish industry.

9588

CSO: 3554/205

ALTERATIONS IN IMPORT TAX GUIDELINES

Istanbul DUNYA in Turkish 12 Apr 84 pp 1,9

[Text] Ankara--Extensive changes have been made in the Customs Code of Regulations which is governed by Law No. 1615 on Customs. According to the changes introduced by the Ministry of Finance and Customs, the customs tax on imported goods will not be reduced if the condition of the goods is impaired in any way. Furthermore, the Council of Ministers will be able to decide whether to apply a single fixed-rate customs tax on goods brought from abroad by travelers or through the mail. The changes also include the expansion of the range of imports that are exempt from customs taxes and fees.

The changes made to the Customs Code of Regulations by the Ministry of Finance and Customs went into effect yesterday. According to the new regulations, the customs tax liability on a product that is imported for resale will become effective on the day the product is registered, "provided that an entry declaration or an assessment document has been obtained." According to guidelines to be laid down by the Ministry of Finance and Customs, if the imported product is delivered to its owner, his representative or his carrier before the necessary formalities are completed, the customs tax liability on the product will become effective on the date of delivery.

According to the change in Article 6 of the Customs Code of Regulations, there will be no reductions in customs tax liability if the condition of the imported product undergoes decay or other changes after the date the customs tax liability becomes effective. However, if the goods are damaged or lost as a result of an accident or "for reasons beyond control" before they are actually imported, the following provisions will apply on condition that the owners of the goods pay for all expenses:

--The owner will be permitted to destroy or to take outside of Turkey goods that have become completely useless.

--For damaged goods that can be used as primary materials, the customs tax will be computed from the primary material schedule.

--The customs administration will permit the drying of water or moisture soaked goods.

The changes in the Customs Code of Regulations also include guidelines in connection with goods imported from abroad by travelers or through the mail.

According to these guidelines, the Council of Ministers will have the authority to set a "fixed single-rate" customs tax on noncommercial taxable goods brought from abroad by travelers or through the mail and goods involved in border trade.

The Ministry of Finance and Customs also expanded the range of goods that can be imported without customs tax liability. According to this provision, any items, including books, microfilms, video and audio tapes, imported for purposes of display or use by public institutions, associations and foundations serving the public interest as well as goods sent to associations and foundations by similar institutions abroad and goods donated by private citizens or corporate bodies to associations, institutions open to the public, cities and villages will be exempt from customs taxes. Furthermore, products imported to assist the Treasury and goods for private use carried through border checkpoints by the people of villages and towns within 5 kilometers of Turkey's land borders will also be exempt from customs taxes.

Equipment and maintenance materials bought by Turkish naval and air craft at foreign sea and air ports will also be exempt from customs taxes. Similarly, no customs tax will be levied on advertisements, catalogs and other similar materials imported by an economic enterprise for promotional purposes and distributed at no charge.

The Ministry of Finance and Customs also banned the use of foreign stickers on domestic products and produce. The changes introduced in this connection ban the importation of envelopes, stickers, stamps and similar materials carrying foreign-language inscriptions which may be used on domestic products or produce to give the impression that they were manufactured or produced abroad; and signed or unsigned blank foreign company invoices which may make documents processed in Turkey look like they were processed overseas. Exempted from this provision are stickers and blank invoices imported for re-export.

The new guidelines also set limits on objections raised to fines imposed at the discretion of a customs supervisor. According to this provision those appealing fines of up to 100,000 Turkish liras will petition Customs Directorates and those appealing fines of more than 100,000 Turkish liras will petition the Customs Directorate General. The new guidelines also specify warehousing procedures and customhouse waiting periods for installations that cannot be delivered completely all at once. The customhouse waiting periods of such systems will begin on the date the last set of goods completing the system is delivered--provided that the owner or the carrier of the goods or their representative petitions the Customs Administration and documents the situation. The waiting period in such cases will not exceed 1 year, beginning on the date of arrival of the first set of goods. The guidelines set a customhouse waiting period of 3 months for goods brought by travelers. All goods not claimed within these waiting periods will be sold to the public.

According to changes in warehouse charges, 10 Turkish liras per day will be charged for each net 100 kilograms of goods held in customhouses; 20 Turkish liras per day will be charged for each net 100 kilograms of goods which have not had their customs formalities completed in the legally permitted 4-month warehouse waiting period. In the case of goods stored in entrepots, 3,000 Turkish liras per month will be charged for each 1000 kilograms net for the

first 2 months, and 5,000 Turkish liras per month will be charged for each additional month. According to the guidelines, buses and trucks will be charged 100 Turkish liras a day, and bicycles and motorcycles will be charged 20 Turkish liras a day for warehousing. Porters' and unpacking charges at customs are specified as follows: Unpacking charges will be 20 Turkish liras per container for the first 10 containers and 10 Turkish liras per container for each additional container. Porters' charges will be 10 Turkish liras per container for the first 10 containers and 5 Turkish liras per container for each additional container.

Tax assessment procedures on goods imported in connection with a sales agreement will be subject to the following guidelines: If the time lapse between the date of the sales agreement and the date the customs tax liability becomes effective is less than 6 months, price fluctuations in that period will be ignored and the tax will be assessed on the value declared on the basis of the normal price in effect on the date of the sales agreement. In the event the said period exceeds 6 months and price fluctuations exceed 20 percent in the first month, the tax will be assessed on the normal price effective on the date the tax liability is effective.

The Ministry of Finance and Customs specified temporary tax exemption guidelines--provided that guarantees for payment of taxes and fees are provided--as follows:

--Goods which are brought into the country for repairs, painting, cleaning or similar services and which will be taken out of the country in 6 months;

--Goods which are imported by the permission of the Ministry to be assembled or to complement products manufactured in Turkey for export and which will be taken out of the country in 3 months;

--Goods which are brought into the country for exhibitions, fairs and other similar situations and which will be taken out of the country in 6 months;

--Cameras to be brought into the country by foreign film and television corporations on condition that they are taken out of the country within one year of their arrival; products that are used as packaging materials for exported goods; full or empty lifts, tubes, strings, spools, manila envelopes, pulleys and hangers that may be used in the transportation and handling of goods; and industrial molds on condition that they are taken out of the country in 6 months will be able to take advantage of the temporary exemption provisions. Also included in temporary exemption provisions are order samples, leased equipment, fishing boats and necessary materials.

9588

CSO: 3554/204

KETENCI ON COLLECTIVE BARGAINING UNDER RESTRICTIVE SYSTEM

Istanbul CUMHURIYET in Turkish 12 Apr 84 p 9

["From the Worker's World" column by Sukran Ketenci: "Collective Bargaining Begins"]

[Text] The first authorization certificates [for collective bargaining] have reached the unions. If there are any certificates that do not reflect the true will of the workers, then the Ministry of Labor and Social Security is to blame. The unions whose authorization is not contested will be able to make their first calls for collective bargaining within the next week and will be able to sit at the bargaining table within at most 15 days after that.

The very fact that employers and workers can sit at the collective bargaining table after a break of 43 months is a very important step on the democracy calendar. This is one of the most important indicators of the fact that democracy is Turkey's real choice for a continuous regime.

While it is true that workers are able to sit at the collective bargaining table with employers after a break of 43 months, for nearly 750,000 workers, the majority of the work force, the Supreme Arbiters' Council [SAC] held back the unions' right to conduct collective bargaining for another year by extending existing collective agreements [into 1985]. The wage raises for 1984 granted by the SAC were much below the inflation level. Meanwhile, another 250,000 unionized workers who could have the right to conduct collective bargaining are unable to exercise their rights as a result of threshold limits set by the law (either no union in a given work branch was able to clear the threshold, or a given union could not clear both the 10-percent threshold in the work branch and the 51-percent threshold in the work place). These workers will have to work for their existing wages without any collective agreements and at the mercy of their employers. If everyone authorized to exercise his right of collective bargaining exercises it, a maximum of 250,000 workers will have exercised their rights by the end of the year. Of course, we know even now that there will be delays in authorization procedures in each work place on the top of the delays incurred so far and that contract workers will be unjustly treated.

From the time these laws went into effect in May 1983, unionists were swamped with the problems of modifying their unions to conform with the new laws. In the confusion of mergers and breakups mandated by the laws and under the pressures of trying to keep union positions in the heat of elections, no one

fully realized the real limitations of the new laws. Now that there should be rejoicing for the return of the collective bargaining system, the weight of the liabilities and dilemmas posed by the new laws appears to have caused sagging shoulders before the real work has begun. While on the one hand, work continues in connection with the rights that will be demanded at collective bargaining sessions, on the other hand, hopes have been pinned on legislative changes that can be realized through the campaign launched by Turk-Is [Turkish Confederation of Labor]. Under existing laws, no professional, experienced unionist can hope to have good unionism and good collective agreements which will properly safeguard the workers' rights.

While renewing existing collective agreements during the transition period on behalf of the sides involved, the SAC was not satisfied by just causing declines in real wages and by impoverishing the workers with its policy of holding wage increases below the inflation rate. The SAC erased all provisions that were inserted in collective agreements by the experience of 17 years of collective bargaining practice between 1963 and 1980. All provisions which concerned labor order, labor peace, working conditions and job security, which had been endorsed by all sides after being discussed at numerous bargaining sessions and which had stopped being a bargaining issue will now have to be renegotiated because years of work has been completely obliterated. Issues over which agreement had been reached in the past will now lead to new disputes. Moreover, there will be no flexibility in the new bargaining system because the sides no longer have the right to change their prepared list of demands at the negotiating table. At least 50 percent of the workers who will exercise their collective bargaining rights will be forced to appeal to the SAC in the event of unresolved disputes over extended restrictions on strikes at work places and in work branches. When everyone knows the SAC's wage hike policies and its decision in principle, which employer can be expected to grant more rights than those to the labor union at the negotiating table? Since all disputes over strike bans as well as strike postponements will end up at the SAC, it is virtually impossible to say that the collective bargaining right is very important for the majority of the workers. Nor is the situation of the workers who do have the right to strike any better. All unionists believe that under the existing laws a strike that the employers do not want cannot be held.

In summary then, the collective bargaining system is beginning, but unionists do not believe that real workers' rights can be protected by the collective bargaining system under existing laws. The unionists only hope that this is only a first step toward a genuine collective bargaining system and that the transition to a genuine collective bargaining system can be completed as soon as possible through needed legislative changes.

9588

CSO: 3554/206

EC ENERGY POLICY EFFORTS TO BE EXPANDED, INTENSIFIED

Cologne ZEITSCHRIFT FUER ENERGIEWIRTSCHAFT in German Dec 83 pp 287-290

[Article by Fredrik Walter: "On the Current Status of the Energy Policy of the European Community"]

[Text] At present the EC Commission in Brussels is making a new start in the direction of intensifying and expanding the energy policy of the Community. In this connection it is noteworthy that this initiative is aimed almost entirely at actions of financial policy.

I New Commission Initiative

The proposal on encouraging a wide-ranging catalogue of investments under the heading of "efficient energy use" is especially far-reaching as well as explosive, because of the potential for an official directing of investments which is concealed in this. In an initial phase the Commission is contemplating above all the granting of interest subsidies in support of district heating, coal-oil substitution and coal dressing, and waste utilization, and also for capital expenditures on conservation in the sector of buildings and in connection with industrial processes. But numerous other sectors are also to be financially supported. These include above all a collective coal extraction and marketing, exploring for and technologically developing hydrocarbons, the trans-frontier integration of the electricity and natural gas networks, deep drillings for natural gas and possibly natural-gas safety reservoirs, a uranium prospecting program, and also an expansion of research, development, and demonstration activities, especially in the non-nuclear field (solid fuels, energy conservation, alternative energies). The Commission bundled its suggestions within a 5-year program which was presented at the beginning of July to the Council of Ministers. The outlays of this program are to reach an annual volume of up to 2 billion units of account (UA) (1 UA currently equals about 2.26 DM). The revolutionary character of the new program, at least in terms of finance policy, becomes clear when it is remembered that in 1982 the energy expenditures from the EC budget were about 150 million UA--although this does not include the research sector.

The Commission outwardly justifies its new strategy by asserting

- that the previous energy policy was inadequate,
- that EC measures have a greater efficiency than national policies, and

- that real energy prices are too low and that thus the incentive to invest is not strong enough.

An additional reason is the search for ways to decrease the net contributions by Great Britain to the Community's budget through higher returns on investment--in the energy sector, coal above all would be suited for this. One could probably add as internal motives the institutional power conflict between the member states on the one hand and the European Parliament and Commission on the other, as well as the redistribution philosophy in favor of the "less well-off" member states.

A level-headed assessment of the Commission's intentions must start with the present status of integration in the European energy policy.

II Advances Relating to Integration in the EC's Energy Policy

It is a fact that up to the first oil crisis of 1973, no European energy policy existed which was deserving of this name. In particular the 1960's were marked by a superabundance of energy, of cheap crude oil. Europe's energy supply was not an issue politically, and there was simply no need for a European energy policy.

This situation has been increasingly changing since 1973. It rapidly became evident that in view of the more and more effective operating of the OPEC cartel and the dangerously runaway demand worldwide in relation to supply, a coordinating of Western interests was indispensable.

The European Community set itself this task. And if the interim balance sheet is drawn up today, it is seen that the EC has by now a comprehensive set of instruments with which important elements of European energy policy are being realized.

These include in particular:

- Its own system of provisions for an oil crisis, on the model of the crisis mechanism of the International Energy Agency (IEA), Paris,
- the establishment of quantitative energy-policy goals for the Community by the year 1990,
- common guidelines on conservation policy,
- orientations on a price policy,
- an extensive statistical oil-tracking system and well-elaborated EC energy statistics in other fields,
- regular consultative meetings among the specific-field ministers,
- coordination of all relevant international energy questions (for Big-Seven summit meetings, North-South dialogue, the United Nations, the E' E [Economic Commission for Europe] in Geneva, the IEA in Paris),

- a common energy research policy, with the focus on nuclear technology,
- extensive energy-use financing activities within the framework of the European Investment Bank, the Commission's own supplementary financing instrument ("New Community Instrument"), the European Coal and Steel Community (ECSC), and EURATOM--in the last 10 years about 40 percent of all EC lending activities have gone into purely energy-based projects,
- numerous financial assistance programs, including programs for demonstration projects in the conservation sector and in connection with alternative energies, for hydrocarbon technologies, and for measures involving coal as well as additional energy-policy measures within the framework of the regional policy and with the aim of benefiting developing countries.

Against this background, the constantly argued thesis put forward by the EC Commission and the European Parliament about an inadequate European energy policy can scarcely be convincing any longer.

The matter is quite similar with respect to the argument about a greater efficiency enjoyed by Community measures compared to national measures.

III Differing National Interests

The EC's energy policy must first of all recognize the reality of strongly divergent national structures and interests. The differing reserve situations of the separate member states are well known. Thus it is natural that in view of favorable importing possibilities, member states which do not have their own coal basis do not have any interest in EC subsidies for maintaining collective hard-coal capacities, especially if these are hopelessly uneconomical. Just as little will countries without their own crude-oil and natural-gas basis show any interest in expensive EC programs for the development of hydrocarbons within the Community (the list of these examples could be extended).

The differing concepts on economic and regulative policy also influence the economic sector of energy. Thus, for example, those member states with a relatively free energy pricing based on open-market principles will scarcely be tolerant about partner countries demanding EC subsidies for energy investments which have no earning power for their own enterprises on account of governmental (ceiling price) regimentation. Actually the more free-market and liberal regulative ideas in countries such as the FRG, Great Britain, or the Netherlands compared to the more planned-economy and managed economic systems according to the French, Italian, or Greek pattern are the cause of antagonisms which--since they cannot be assimilated overnight--regularly set clear limits on "integrated" European regulative energy systems. This is doubtlessly regrettable for European policy, but it must be accepted as an irrefutable fact--at least in the short and intermediate term.

But limits appear also in the financial-policy sector. Thus, above all countries which have accorded a high priority in their national budgets to

the restructuring process in the energy economy ever since the first oil crisis are scarcely ready to undertake financing from Community funds for the postponed demand of member states which have placed their priorities elsewhere--whatever their reasons for doing so (and which, for example, for years have been subsidizing excess steelmaking capacities with sums in the billions of marks).

These nationally predetermined differences are clear pointers to a higher efficiency, not so much of centralist EC concepts, but--to the extent they are indispensable--of accompanying national interventions, since decentralized measures almost always are better able to take into account the specific national needs.

Added to this is the fact that the EC agreements do not contain any specific arrangements for energy-policy integration (the ECSC agreement signed back in 1951 was aimed primarily at establishing a regulated supply for the coal and steel industry). In this connection, it is indicative that the member states have always rejected appropriate renunciations of sovereignty, such as for example the British and the Netherlands on the question of joint natural gas reserves for crisis protection in the North Sea or in Groningen. Likewise Germany is scarcely likely to be willing to place the solution to this nation's coal problem in the hands of Brussels.

All these considerations speak against the priority of EC measures desired by the Commission.

IV Undesirable Economic Trends--Budgetary Requirements

But there is a series of other critical arguments also against the new plan of the Commission, although for reasons of space they can only be mentioned at this point:

- The subsidy policy aimed at by the Commission increases the danger of undesirable economic trends developing for the energy sector as well--compared to an uninfluenced unfolding of market forces--for example, by way of an official directing of investment (we know how far such undesirable trends can drift from our experience of the agricultural and steel policy).

- The real energy prices have gradually multiplied since 1972/73. The price drops for crude oil in the spring of 1983 were largely offset in the Community by a rise in value of the dollar. Cost pressure and thus an investment stimulus in favor of a more efficient use of energy have not abated, from this point of view.

- The philosophy of the Commission assumes in large part an inability on the part of the energy sector to cope with problems on its own power. This notion overlooks, for example, the successful trans-frontier business cooperation in connection with network integration in the electricity and gas sector. Furthermore it also overlooks the commitment of the associations--which are altogether profitable in this line of business--with respect to exploring for and developing hydrocarbons, a commitment which is at most impeded somewhat by excessive governmental taxation.

- Finally, the new concept of the Commission neglects completely the present situation with respect to finances in which the Community finds itself. Because the national public coffers are not the only ones at a low ebb. The EC resources as well, as the bottom line of the 1983 budget shows, are exhausted. The instructions of the heads of state and government at their meeting in mid-June 1983 in Stuttgart, on reexamining all Community policies with an aim toward more efficiency and toward possibilities of financial conservation, are virtually stood on their head by the Commission through its proposals.

These critical remarks on the plan of the EC Commission naturally raise the question about a constructive alternative.

V Starting Points for Further Developing the European Energy Policy

With the set of instruments detailed above, within the last decade the Community has created a sound foundation for itself. An initial field of duties for European energy policy must consist in consolidating this foundation and filling it out with concrete contents. For example, here some recommendations are:

- A realization of the common goals for 1990,
- the conservation policy,
- the policy on replacing oil and gas in power plants,
- the non-nuclear research policy.

In view of the existence of differing national energy-economy and regulative-policy structures and interests and in consideration of national sovereignty, in this connection any sensible European energy policy should be guided by the principle of subsidiary status.

1 Subsidiary Status of Community Policy in Relation to National Policy

According to such a schema, measures on the part of the Community are called for only where there is a pertinent interest of all or at least most of the member states and thus of the Community as a whole. For example, a pertinent Community interest must be ruled out in the case of subsidizing geothermal drillings, in fact not only because the geothermal contribution to the primary energy supply of the Community will remain very limited even under the most optimistic of views, but even more so because the relevant promising geological structures are restricted to very few member states (nevertheless, the Community has been encouraging such drillings for years now).

The Community's interest must be present above all with financial-policy measures. In this connection, no EC subsidy for the benefit of competitive sources of energy such as imported coal, brown coal, or natural gas should be given--but the Commission's ideas show that unfortunately this is not a foregone conclusion. European energy policy is also not suitable as an instrument of redistribution for the benefit of "less well-off" member states, since the Community has developed specific instruments for this

purpose--the regional fund and social fund (another specific instrument is in preparation with the "Integrated Mediterranean Programs").

Finally, to be credible a sensible EC energy policy must have a balance between financial and non-financial measures. Budgetary restraint is essential more than ever when the coffers are empty, especially since the problem of followup control has proved to be insoluble hitherto in the case of energy subsidies of the Community as well, and just the carry-over effects are not likely to be lower here than elsewhere.

2 Adherence to Community Policy

The "non-financial" measures of the "energy policy" consist in their operative part essentially of orientations, guidelines, and principles which have been fixed over the years in Brussels. They retain their value only when the Commission keeps a constant watch over their realization in the individual member states.

The most important quantitative orientation is the "Goals for 1990" adopted by the Council of Ministers in the middle of 1980.

According to this, for one thing the share held by oil in the primary energy consumption of the Community is to be lowered to about 40 percent by 1990. Table 1 shows the base year 1973, the latest available actual values, and the prospects of the member states for the target year:

An evaluation gives:

- For the Community as a whole, the goal seems achievable from what can be seen at present--that is, we are "on a proper course";
- and the advances achieved between 1973 and 1981 are considerable; up to and including 1982, they add up to an absolute decline in oil consumption of about 145 million tons of crude oil units (COU);
- in their efforts hitherto, the positive achievements of Denmark and France above all should be noted; the trend shown by these countries was impressively confirmed once again in 1982;
- a postponed demand seems to exist especially in Greece, Italy, and the Netherlands, which is particularly favored by high natural-gas reserves; for Great Britain, what is striking is that the oil share in this case remains the same up to 1990--although its value is relatively low.

Secondly, the "Goals for 1990" also include raising the share in total electricity generation held by solid fuels and nuclear energy to a level of 70 to 75 percent by 1990. Table 2 shows in turn the developments in the years 1973/1981/1990.

Table 1 Share Held by Petroleum in Primary Energy Consumption--in Percent--

	1973	1981	1990
(1) Belgien	59	48	31
(2) Danmark	90	87	48
(3) BR Deutschland	55	44	39
(4) Frankreich	68	54	38
(5) Griechenland	77	71	54
(6) Irland	77	60	47
(7) Italien	74	65	50
(8) Luxemburg	35	30	31
(9) Niederlande	48	44	39
(10) Großbritannien	48	38	38
(11) EG	59	49	40

Key: 1. Belgium
2. Denmark
3. FRG
4. France
5. Greece
6. Ireland
7. Italy
8. Luxembourg
9. Netherlands
10. Great Britain
11. EC

Source IEA/OECD/EC Statistics

Here as well, for the Community as a whole respectable advances are seen, and again the goal seems to be achievable. If the developments predicted by the member states for 1990 are achieved, then the restructuring process can be called a complete success, in view of an electricity production rising between 1973 and 1990 from about 250 to 380 million tons of COU--that is, rising by half as much again.

France, Belgium, and--above all--Great Britain and the FRG make a particularly large contribution to this by way of their nuclear-power development. But considerable efforts are also being made in solid fuels by smaller countries such as Denmark, Greece, and Ireland. The two chief stragglers, Italy and the Netherlands, have yet to give evidence of the earnestness of their intentions up to the year 1990. Even if their predicted "tokens of good intentions" could be realized, of the roughly 58 million tons of COU for oil and natural gas still being used in 1990 within the entire Community for the generation of electricity, about 33 million tons would be the share of these two countries alone (share of Italy would be 27 million tons). On the other hand, by 1990 both countries intend to be using nuclear energy only marginally (9 million tons of COU).

Table 2 Electricity Generation from Solid Fuels and Nuclear Energy--Share in Total Generation in Percent--

	1973	1981	1990
(1) Belgien	29	65	89
(2) Danemark	38	86	82
(3) BR Deutschland	75	80	84
(4) Frankreich	35	72	88
(5) Griechenland	39	55	83
(6) Irland	34	20	66
(7) Italien	7	15	43
(8) Luxemburg	41	37	
(9) Niederlande	9	24	54
(10) Großbritannien	73	88	93
(11) EG	53	67	78

Key:

1. Belgium	7. Italy
2. Denmark	8. Luxembourg
3. FRG	9. Netherlands
4. France	10. Great Britain
5. Greece	11. EC
6. Ireland	

Source IEA/OECD/EC Statistics

Among the other important fields of Community activity, let us mention here just the conservation policy and price policy:

3 Conservation Policy

A reliable quantitative followup control is practically impossible in conservation policy above all. One of the customary indicators is the change in primary energy consumption in relation to the gross domestic product (Table 3).

This tabulation shows, in the 1981/1973 relation, above-average declines for France and Denmark, whereas Greece, Ireland, Italy, and the Netherlands are doing less well.

Meaningful statements can be made only after a more exact analysis of the respective national conservation programs. It is regrettable that hitherto the EC Commission has not presented such a study. Particularly since in May 1980 the Council of Ministers adopted specific conservation-policy orientations. In these, the member states were advised to put into effect in that same year a conservation program which was to cover all the main

sectors (residential buildings, industry, agriculture, tertiary sector, transportation, district heating, information and instruction).

Table 3 Specific Energy Consumption

		1973	1981	1990	1981/73	1990/73
	(12) ROE je 1 000 US-\$/BIP				Anderung in % (13)	
(1)	Belgien	0,77	0,62	0,47	- 19	- 39
(2)	Danemark	0,51	0,40	0,35	- 22	- 32
(3)	BR Deutschland	0,63	0,53	0,50	- 16	- 21
(4)	Frankreich	0,56	0,45	0,33	- 20	- 41
(5)	Griechenland	0,60	0,60	0,77	0	+ 28
(6)	Irland	0,95	0,86	0,92	- 9	- 3
(7)	Italien	0,69	0,60	0,55	- 13	- 20
(8)	Luxemburg	1,98	1,26	1,40	- 36	- 29
(9)	Niederlande	0,73	0,63	0,66	- 14	- 10
(10)	Großbritannien	0,99	0,79	0,75	- 20	- 24
(11)	EG	0,70	0,57	0,50	- 19	- 29

Key: 1. Belgium 9. Netherlands
 2. Denmark 10. Great Britain
 3. FRG 11. EC
 4. France 12. Tons of COU per 1,000 U.S.\$/GDP
 5. Greece 13. Change in %
 6. Ireland
 7. Italy
 8. Luxembourg

Source IEA/OECD/EC Statistics

4 Energy Pricing

The Council of Ministers has prescribed guidelines on price policy in the member states several times: In 1980, 1981, and 1982. These essentially corresponded to the German views, and at bottom they say that energy prices should form freely, starting with their production and procurement costs. Here, for the sake of the independent profitability of the undertaking and an unimpaired competition, and in order to not minimize the true scarcity relationships vis-a-vis the consumers, administrative interventions should be dispensed with as much as possible.

Sins against these recommendations are being committed in many member states. They are likely to be of greatest consequence in those countries where either maximum prices for electricity and/or gas are decreed for social-policy reasons (especially France, Italy, and Greece), or special

industrial prices have been allowed for reasons of competition (for example, natural gas in the Netherlands).

Last but not least, the equalizing of energy prices aimed at by the Commission would be utopian as a short-range goal for national fiscal-policy reasons as well. Nevertheless, the gradual mutual convergence of energy prices and the reducing of inordinate competition-distorting disparities must be kept in view by every member state as a long-term objective of integration also in connection with the shaping of its levying and taxation policy. One reasonable intermediate-range task of the Community could be to eliminate the energy-tax subsidies which exist in probably all the member states with respect to agriculture, shipping, and aviation.

As in conservation policy, in the case of energy-price policy as well we must point out the hitherto inadequate efforts of the Commission in the direction of examining admittedly complicated and politically sensitive national conditions in relation to the realization of the joint ministerial decisions.

5 Taking Stock of the National Policies

These brief remarks on the situation of the Community in terms of facts and figures, with consideration being given to its conservation and price policy, reveal that one of the most important energy-policy tasks of the EC Commission is to periodically take stock of the national policies. On the basis of a progress analysis, it should enter into an examination and discussion in the Council of Ministers on weak points in the policies of the separate nations, going as far as making joint recommendations on eliminating them. At present this field of activities as well is being almost ignored by the Commission.

The convergence of the separate states' policies to be aimed at as a long-range goal must be founded on a balancing of national efforts also in connection with financial contributions, in the sense of a suitable distribution of burdens on all shoulders with regard to the further reduction of the Community's dependence on imports, especially of oil.

VI Summary Outlook

The Commission of the European Communities is on the point of one-sidedly orienting its energy-policy strategy strictly in terms of financial policy. The focus of European energy policy is to lie in the centralized distribution of money, and on this score even the introduction of a new EC energy consumption tax is being contemplated as an additional levy.

What follows from the fact of national sovereignty and the differing national energy-economy structures as well as views on economic policy is the primacy of national policy and the subsidiary nature of EC measures. The more the program proposals of the Commission seek to circumvent the self-responsibility and capability of the national economy and to depart from the reality of what is feasible even in terms of financial policy, the

more these proposals are in danger of losing some of their persuasive power.

European integration policy is scarcely enforceable by means of the financial cornucopia. This should be realized also by those member states which tend to profit from the present one-sided financing structure of the Community budget. Their unconditional capacity for enthusiasm even for extravagant program proposals of the Commission is ultimately not very likely to encourage a readiness to make financial concessions on the part of the net payers. On the contrary, in the last analysis additional painful discoveries as to one-sided thinking on financial entitlements for partner countries could have a counterproductive effect even on ardent adherents of the European idea.

European energy policy has reached a thoroughly satisfactory stage of development in terms of what is realistic. The existing set of instruments adequately provide points of departure for achieving additional advances in integration, even in periods of financial austerity. The necessary efforts to this end should be borne in common, and the burdens should be suitably distributed.

12114

CSO: 3620/238

NESTE FIRM RUSHING PIPE CONSTRUCTION FOR SOVIET GAS LINE

Helsinki HELSINGIN SANOMAT in Finnish 5 Apr 84 p 28

[Article: "Neste's Preparations for Gas Line in Full Swing"]

[Text] Porvoo--Neste is beginning to proceed full speed ahead with the planning and preparations of the gas pipeline extension even though the question of additional gas purchases is still completely open. Neste's planning group will be burning the midnight oil until the middle of next month since there will be hearings in the evening in addition to the regular day's work.

Property owners are being given an accounting of the detrimental impact that will be caused by the gas pipeline and of the intended compensation for it in a total of 20 communities. These communities lie in the path of the pipeline extension. In addition, Neste is awaiting a corresponding contract for the possible branch pipelines in the affected communities.

However, now in the beginning Neste will become involved in a much larger contract, as in the beginning of the last decade. At that time Neste and Soyuzgazeksport [All-Union Association for the Exporting of Natural Gas] cooperated in the joint construction of a 125-kilometer main line, but the purchasing of land was handled by special laws. Now property owners will have to be granted hearings and an invitation is being sent to a total of 1,500 property owners in the provinces of Kymi, Hame, and Uusimaa.

In Porvoo Neste has already established a 20-person planning group, which will concentrate on the planning and accomplishment of the gas pipeline in its own office facilities. Inasmuch as Tampere makes a positive decision in May from Neste's point of view, Neste will have a project worth 900 million markkaa. The division of expenses, for example, between Neste and the state is, however, open for the time being.

Negotiations at Practical Level

Neste concluded an agreement in principle already in the beginning of February on the terms of delivery with the Soviet organization Tsvetmetpromeksport [All-Union Association for Exports of the Nonferrous Metals Industry]. Negotiations are currently being conducted on the division of costs and jobs between the companies.

Director Eero Tarvainen of the natural gas project estimates that the project will employ approximately 1,000 people over a period of a year and a half. Since a construction decision has not been made, the division of labor with the Soviet partner is also an open question.

During the first phase of the gas pipeline there were approximately 300 Soviet workers at the most. Now Neste has hinted, at least as a tactic related to the negotiations, that the Soviet partner could in some jobs find workers from a direction other than the East.

In any event, Neste needs foreign equipment for the construction of the gas pipeline. The 70-centimeter diameter pipes themselves can, indeed, be transported by domestic vehicles. The installation equipment is such that it cannot be found in Finland.

Inasmuch as the capital city area will also be included in the project, approximately 500 kilometers of new pipeline will be built. Half of it will entail the main line and the other half will consist of branch lines.

Natural gas has been marketed to consumers as a form of energy that is abundant and friendly to the environment. The price of gas has represented an obstacle to the development of this trade; in the production of thermal energy it is one-third more expensive than coal.

The use of natural gas has continually declined in this decade. In 1979 consumption approached 1 billion cubic meters, but last year it was 700 million cubic meters. The original agreement would have made possible the purchase of an amount twice that of last year's consumption.

Neste has attempted to market natural gas under the name of Kaasu-Suomi for the heating of homes also in Southeast Finland. In its price comparisons Neste has competed with itself since the benefits of gas have been confirmed by comparing it to fuel oil.

According to Neste's calculations, heating with gas will cost nearly half that of oil. Even the investment in natural gas equipment will pay for itself in a little less than 4 years according to the calculations.

For the time being industry and municipal heating are and will remain the most significant users of natural gas. Home use is not of much practical significance in the annual consumption of natural gas.

Natural gas has not been of particularly great significance in Soviet imports either. The value of annual natural gas imports has been approximately 500 million markkaa, which is approximately 4 percent of the total value of Soviet imports. The proportion of natural gas has been the same as coal in terms of money. The extension of the gas pipeline could, however, increase the value of exports threefold.

10576

CSO: 3617/136

FINLAND COMPLAINS TO ECE OVER SULPHUR EMISSIONS

Helsinki HELSINGIN SANOMAT in Finnish 4 Apr 84 p 33

[Article by Lauri Karen: "Sulphur Emissions Have Not Decreased"]

[Text] Paris--On Tuesday Finland expressed its concern in the UN's Economic Commission for Europe, ECE, over the fact that the movement of sulphur emissions in the atmosphere across international borders is continuing virtually unabated.

The ECE agreement on the gradual reduction and control of pollutants in the atmosphere went into effect in 1983. So far the only progress that has been made in the prevention of the pollution of waters is a declaration issued in the ECE in 1980.

The effect of the ECE agreement has been limited in spite of the fact that air pollutants, which are destroying the world's forests, have begun to arouse a real concern almost everywhere.

In addition to countries in the northern sections of the American and European continents, Central European countries, for example, are also observing that the areas of destruction are expanding from day to day.

In the speech delivered by the Finnish delegation on Tuesday a serious appeal was made to the ECE countries that they reduce sulphur emissions by 30 percent before the year 1993. The 1980 level was established as the base.

The above-mentioned reduction was established as the practical goal upon the initiative of Canada at a recent ministerial-level conference in Ottawa. According to this conference, Finland is also among those countries which received the name "30-percent countries."

In the Finnish speech it was emphasized that the problem demands "intensive international cooperation."

"The urgency and seriousness of environmental problems are being increasingly acknowledged as new information on this issue becomes available," it was added in the speech.

However, it was pointed out that sufficient funds and resources have not yet been made available for the accomplishment of the air pollution agreement any more than for the network of international surveillance stations stipulated by the agreement. According to the Finnish Government, it is "essential" that this question be quickly resolved.

Environmental Issues Becoming Increasingly Important

Environmental problems, which have a direct effect on economic efficiency and productivity, have begun to represent a significant portion of the ECE's work along side of its traditional forms of activity. The ECE, which encompasses all European countries including the Soviet Union as well as the United States and Canada, is an essential forum of East and West economic cooperation. The CSCE process has recognized its special responsibility in the area since the 1975 Helsinki Accords.

Regrets were expressed in the Finnish speech on Tuesday that deadlocks have recently developed in the mutual trade between the market economy countries and the socialist countries. Development work in "this area of very essential trade" should be continued.

No reference was made in the speech to the reasons for the deadlocks, reasons resulting from international politics.

Finland continues to hope that "the necessary conditions" could be created in the area of energy for the promotion of comprehensive development in a manner benefitting all the ECE countries.

Through the channels of the ECE the socialist countries are included in the energy policy debate, which covered the European continent in its entirety.

The ECE leadership is presently firmly in the hands of the "Finnish mafia" for the UN's "own good." as Klaus Sahlgren, the commission's executive or general secretary, recently stated in jest at a press conference held in Geneva. The commission's managing director, who is responsible for the ECE's massive annual two-part economic report, is Professor Jouko Paunio.

The annual meeting of the ECE, which began on Tuesday, will continue in Geneva until 14 April.

10576
CSO: 3617/135

COMMERCE, INDUSTRY CHAMBERS ON POLLUTION LAW REVAMPING

Athens I KATHIMERINI in Greek 20 Mar 84 p 7

[Text] The bill on the protection of the environment "has certain disadvantages that must be examined with due attention, as appropriate when dealing with legislation of such great importance."

This was stated in a decision by the Administrative Committee of the Union of Chambers of Commerce and Industry of Greece (EEVEE). The decision refers to the bills on the environment and the sole environmental authority. Among the reasons that dictate this argument by the EVEC are the following:

The bill uses vague terms that are difficult to define on the basis of objective criteria. As an example we have the following terms: "Well-being of the individual", "common feeling," "understanding of aesthetics," "underrating," "correct determination of land use" and other. The importance of these terms becomes even greater if it is taken into consideration that the charges for violations of the bill will be based on exactly these unclear and unspecified terms and concepts.

According to the bill, an important step in the necessary process for obtaining an environmental license is the submission to the appropriate authorities of a study on the environmental impact. The submission of such study must be followed by a notification of the press and the state information media, and by the dispatch of documents in every appropriate manner, not only to interested parties and associations but also to citizens at large. It is fully clear that this process creates a multitude of problems of application which could possibly cause huge expenses and loss of time.

The provisions of Article 5 do not correspond to the principles of justice. This article is reversing the burden of proof so that it favors those allegedly affected by the pollution. Those accused of polluting the environment will now have to prove that they have not done so which is obviously something that can be presumed. It is also the fact that a judge can reach a decision on the basis of presumptions, possibilities and conclusions -- factors that are not conducive to justice. The correct is that the burden of proof be placed on the shoulders of those who claim they have been polluted and that those accused of polluting be required to provide full proof only as a counterproof.

The bill should have also paid special attention to the following issues: conservation of non-replacable raw material, encouragement of recycling of waste material, prevention of possible negative consequences as a result of the use of other energy resources instead of oil and encouragement of use of the kind of energy that causes a minimum of pollution.

8193

CSO: 3521/209

PROBLEMS FORESEEN OVER POLLUTION-RELATED INDUSTRY SHUTDOWNS

Athens I KATHIMERINI in Greek 21 Mar 84 p 9

[Text] A new program by the Ministry of Physical Planning, Housing and Environment [YKhOP] is adding new problems to the many the industrial and handicraft sector is facing. The new program concerns the obligatory summer shutdown of the industrial and handicraft units in the Attiki region.

In a circular, YKhOP said it is planning to add 2 more months to the obligatory summer shutdowns for the industries in Attiki; namely, it plans to add the months of May and September and exclude the month of August which as a rule is the month most industries prefer to interrupt their operation and curb their activities since it coincides with the month workers prefer to take their vacation.

The industrial sector was taken by surprise by YKhOP's intentions and it believes that this measure could be proved to be a disaster, if applied. Industrial organizations are warning of the possible disastrous consequences by 2 more months of the summer shut-down. They are stressing that YKhOP's new programming can be described at the minimum as irrational because the Ministry of National Economy and the government have determined that the obligatory until now 2-month shut-down in the industry sector has not brought the anticipated environmental impact and has curbed industrial production.

The industry wonders what are the reasons behind YKhOP's decision to include for the first time, the month of May in the summer vacation period. Blue and white collar workers can not take their vacation during the month of May (since the summer shutdown period for the industries was coinciding with the workers' summer vacation) because the schools are still open. It is also amazing why YKhOP has added, for the first time again, in the obligatory industry-handicraft period of vacations, the month of September, a month of intensifying industrial activity because of planning for winter production and exports. To this, we should add the amazing fact that the month of August was dropped from the 3-month period of June, July, August during which industries traditionally interrupt their operations so that their shutdowns coincide with the vacation of their personnel.

It is noted that the Ministry of National Economy has clearly opposed any measure which would oppose the effort to curb the rate of industrial

production, while the new YKhOP programming will lead exactly to that. Furthermore, the same ministry has expressed doubts that the 2-month interruption in the operation of most selected factories, has indeed had any impact on the decrease of pollution on the environment.

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CSO: 3521/209

NEW STUDY ON ATHENS POLLUTION CONTROLS

Athens I KATHIMERINI in Greek 7 Apr 84 pp 1,3

/Text/ A series of new measures that are being scheduled for the next three years to cope with the air pollution in Athens and that refer to the automobile, industry, and central heating were presented yesterday in a press conference held by the Minister of Housing and Environment Control, Mr Ant. Tristis, the responsible official for PERPA (a section of the ministry dealing with pollution control), Ms Efi Vagiataz, and other officials of the ministry, upon the completion of the respective study that took many months.

At the same time these measures were being studied, the subject of moving the industries in Attica was studied. The new program for the 13 studies for the three sectors (automobile, industry, central heating) is estimated to cost about 75 million drachmae. EEC participation will be 42% of this cost and is listed in the wider regulatory range of Athens.

From the volume of the announcements, however, one realizes that this deals with a series of studies, even though they are presented as "a series of permanent measures".

These studies determine the financial benefit that will be gained as well as the benefit in reducing pollution. Furthermore, these studies provide a full scientific recognition of the problem of air pollution in parameters that would have required measurements over a long period of time.

This way an estimate is effected of the quantity of the pollutants in the atmosphere and the percentage of each pollutant in the Athens plain is determined.

It is worth noting that two especially unfavorable elements contribute to the air pollution. One is the topography of Athens, because the area is restricted from all directions, except from the south, by mountains that are from 500 to 2,000 meters high, a fact that favors the entrapment of the pollutants. The second that is equally important is the meteorology of Attica that is known for an important percentage of calm winds and especially for a significant percentage of the appearance of temperature inversions, in other words, of situations that do not permit the pollutants to rise. An especially unfavorable role for the photochemical pollution is attributed to the long periods of sunshine that is observed in Attica.

The analytical facts of the atmospheric measurements of pollutants by the coordinated network of Athens and the summary situation that appears in 1983 were the basis on which the evaluation of the pollution was made in comparison with the limits that are in effect or are being proposed for the member nations of the EEC, as well as the limits and/or targets that are being proposed by the World Health Organization (WHO).

Measures by Sectors

The measures that are being proposed, among others, for restricting pollutants from automobiles are: Change in fuel. Maintenance and adjustment of the vehicle. Addition of equipment to reduce gases only in diesel engines. Also: 1) The circulation of new diesel taxis and vehicles is forbidden, while 2) pollution controls are imposed on all taxis and 10% of the privately owned vehicles or, alternatively, of the public service automobiles. Also imposing partial pollution controls on the buses of the EAS /Urban Transportation Company/ by 35%. 3) Improvement of traffic conditions. 4) Restriction of the rate of increase in vehicles and the rate of renewing vehicles. 5) Restriction of pollution emission by new vehicles. 6) Briefing of the public.

Central heating is an important mass air pollutant in the plain during the winter and especially in the central areas, basically contributing soot and sulfur dioxide to the pollution.

The bad construction and operation of central heating systems as well as the deficient degree (legislative and administrative) of controlling them contributes to fuel waste and a greater emission of pollutants than expected. The possibility of imposing use of other forms of energy than diesel seems very restricted at the present time.

The proposed measures include the following action: 1) Improvement of the operation of existing central heating installations through technical, legal and administrative controls. 2) Legal and technical provisions for the insulation of new buildings and the use of effective alternate forms of energy.

The progress of the technoeconomic studies up to now provide the basis for making evident the measures of great priority that aim to lessen the consumption of fuel (therefore of the emissions also) by dyeing shops and cover the quality of the fuel and the method of controlling emissions from the boilers.

These measures are stated by each case for 10 industrial branches (steel, foundries, lead accumulators, lead recovery, gypsum, asbestos, oil refineries, gas stations, oil companies and plating shops).

3) By stages, by September 1984 additional measures will be in effect for the branches mentioned above as well as measures for the following branches, the studies on which are already in progress: Dry cleaning shops, dyeing shops (quality of dyes), fertilizers, cleansers, soaps, olive oil refinement, polyesters,

rayon, asphalt products, bricks, cement, ceramics, mills, ready concrete, glass-works, gypsum shops, flour production, energy production.

Finally, it was emphasized during the conference that the measures being proposed "will bring a financial benefit, especially because of their character, amounting to 4 billion. In addition, they will create 550 permanent jobs in the sector of using antipollutants. As far as the reduction of pollutants is concerned for the next three years, it is estimated that the reduction will be between 7% and 27% ".

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